

#12753

Articles of Association

of the

Oyark Zinc Oxide

Company, St. Louis

Book #50.000

II of

50 pgs

[Handwritten initials]



SUPERFUND RECORDS

FILED AND CERTIFICATE OF
INCORPORATION ISSUED

AUG 7 1901

[Handwritten signature]

SECRETARY OF STATE

OF
" THE STATE OF PA

Article III. That in the matter of the proposed incorporation under the laws of Pennsylvania, the names of the promoters of Article IX. Chapter 12. P.S. of 1899 governing the incorporation of the Pennsylvania Gas and Electric Company are entered into the following agreement:

That the name of the corporation shall be **Gas & Electric Company**

- Second -

That the corporation shall be located in the City of Philadelphia

Third

That the amount of the capital stock shall be \$5,000,000 divided into 500 shares of the par value of \$10,000.00 each, that the same has been subscribed and paid for in full through the subscription of the following persons named in the first and second articles:

Fourth

That the names of the promoters of the above said corporation and the number of shares subscribed by each are:

John A. Barton	Leah (Pharm) Mason	20 shares	
John A. Matthews	John A. Barton	1 share	
Charles S. Matthews	John A. Barton	1 share	

Fifth

The Board of Directors, a full committee of nine, in the matter of the incorporation of the State of Pennsylvania, the names of those promoters for the first time are: John A. Barton, John A. Matthews, Charles S. Matthews, John A. Barton, John A. Barton.

That the corporation shall receive for a term of five years

Sixth

That the corporation is formed for the purpose of the purchase of the Pennsylvania Gas and Electric Company, and the

man, in the State of Missouri and elsewhere "et of purchasing
selling" et the acting in "et manufacturing some mineral prod-
ucts from the products of such mine

In fact, now, (where of we have heretofore set our hands
the 5th day of August 1901

Wm F Gordon

Wm N Matthews

Claude L Matthews

State of Missouri } no
City of St. Louis } before me personally appeared W. F. Gordon
W. N. Matthews and Claude L. Matthews to me known to be

the persons, described in "et who executed the foregoing instru-
ment "et acknowledge that they executed the same as their
free and "et deed In testimony whereof I have hereunto set

my hand and "et affixed my official seal: the day "et signed, sealed above

COPY OF SEAL

mentioned

My commission

Robert A. Crabb
Notary Public
City of St. Louis, Mo.

expres January 29th 1903

Robert A. Crabb, Notary Public

1887 Decided Aug 6 1901 7:30 P.M. 11. North Main Recorder

State of Missouri }
City of St. Louis } and City of St. Louis do hereby certify the foregoing
to be a true copy of the Articles of Incorporation of St. Charles
Zinc Ore Co. of any' together with the returns, edgment "et
acts of filing "et pass etc, thereof as the same, or copies of record in
my office in (Book of Corporations 2 (Page 130

I (returne whereof I have heretofore set
my hand "et official seal this 5th day of

August 11th 1901

207

Wm N Matthews
(Rec 101)

UNITED STATES OF AMERICA, *20574*
STATE OF OHIO,
OFFICE OF THE SECRETARY OF STATE

I, BOB TAFT, Secretary of State of the State of Ohio, do hereby certify that the foregoing is a true and correct copy, consisting of 2 pages as taken from the original record now in my official custody as Secretary of State



WITNESS my hand and official seal at
Columbus, Ohio, this 20th day of
October A D 19 27

Bob Taft

BOB TAFT
Secretary of State

By Joy Sellner

NOTICE This is an official certification only when reproduced in red ink

UNITED STATES OF AMERICA, *20574*
STATE OF OHIO,
OFFICE OF THE SECRETARY OF STATE

I, **BOB TAFT** Secretary of State of the State of Ohio, do hereby certify that the foregoing is a true and correct copy, consisting of 2 pages, as taken from the original record now in my official custody as Secretary of State



WITNESS my hand and official seal at
Columbus, Ohio, this 20th day of
October A D 19 27

Bob Taft

BOB TAFT
Secretary of State

By *Jay Sullivan*

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150000

Treasurers Office, State of Missouri.

1913 # 12753

Bank of St. Louis
Cash

RECEIVED

DISCOUNT

PAID
JAN 21 1906

John W. ...
TREASURER

AFFIDAVIT OF DISSOLUTION.

William H Matthews, President of the
(President or Secretary)
Ogark Live Oxide Company

being duly sworn, upon his oath, states that said corporation was on the
12th day of December 1905 by a unanimous vote of
its stockholders, duly dissolved and is no longer in existence

William H Matthews
President

Subscribed and sworn to before me a Notary Public within and for
the City of *Albany Mo* this *12th* day of
February 1906
Witness my hand and notarial seal the day and date last above

written My term expires the *10th* day of *April* 1909
George F. Smith Notary Public

NOTE: This affidavit when filed in the office of the Secretary of State will close the company and the stockholders cannot report a deficit but will not relieve them of their liability should any exist. This affidavit is void by law which took effect August 30, 1892 for the voluntary dissolution of a corporation under section 2872, R.S., 1892.

Witness my hand and notarial seal the day and date last above written
Wm H Matthews President
Geo F Smith Notary Public

That the corporation shall continue for a term of
12 months

That the corporation is formed for the following purposes
to manufacture and operate a live oxide plant



UNITED STATES DEPARTMENT OF AGRICULTURE

THE OFFICE OF THE ASSISTANT SECRETARY

WASHINGTON, D. C. 20250

TO THE DIRECTOR OF THE BUREAU OF PLANT INDUSTRY
FROM THE ASSISTANT SECRETARY OF AGRICULTURE
SUBJECT: [Illegible]

Dated Feb 20, 1920

Corp No 8027

CERTIFICATE OF AFFIDAVIT OF RIGHTS OF A COMPANY OF
THE SHERWIN-WILLIAMS COMPANY

WHEREAS, The Sherwin-Williams Company has or authorized common capital stock of Fifteen Million Dollars (\$15,000,000) of which Five Million One Hundred Sixty One Thousand Seven Hundred Dollars (\$5,161,700) par value thereof is unissued, and

WHEREAS, said Company also has an authorized preferred capital stock of Six Million Dollars (\$6,000,000.) composed of Five Million Dollars, (\$5,000,000) par value of its seven per cent (7%) preferred stock, all of which is issued and outstanding, and One Million Five Hundred Thousand Dollars (\$1,500,000) par value of its first issue of six per cent (6%) preferred stock, One Million Four Hundred Ninety Eight Thousand Dollars (\$1,498,000) of which is issued and outstanding, and Four Million Dollars (\$4,000,000) par value of its second issue of six per cent (6%) preferred stock, Two Million Sixteen Thousand Dollars, (\$2,016,000) of which is issued and outstanding, and as to the outstanding portions of said seven per cent (7%) preferred stock and said first issue of six per cent (6%) preferred stock, it has either arranged with the holders thereof to exchange the same for preferred stock of the issue hereinafter described, or has called the same for redemption and offered to pay for the same on March 1, 1920, and has provided for any unredeemed portions of the same as hereinafter set forth, and as to the outstanding portion of its second issue of six per cent (6%) preferred stock it has either arranged with the holders thereof to exchange the same for said new preferred stock or has called the same for redemption on March 1, 1920, in accordance with the provisions under which said stock was issued and in accordance with the certificates evidencing the same, and

WHEREAS, the Company now desires to exchange said unissued common capital stock, and said issued seven per cent (7%) preferred capital stock, as exchanged or non-redeemed, and the unissued portion of its said first issue of six per cent (6%) preferred capital stock, and the issued portion of said first issue of six per cent (6%) preferred capital stock, as exchanged or redeemed, and the unissued portion of said second issue of six per cent (6%) preferred capital stock, and the issued portion of said second issue of six per cent (6%) preferred capital stock,

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as exchanged or then redeemed as aforesaid, into this Company's new preferred stock, having the preferences, designations and voting powers, but with the restrictions and qualifications hereinafter set forth, leaving and constituting, however, as a part of said authorized preferred stock all outstanding shares of said seven per cent (7%) preferred stock and of said first issue of six percent (6%) preferred stock, and with their present rates of dividends until exchanged for said new preferred stock or until redeemed, it being, however, intending hereby to authorize the actual issue of said preferred stock in excess of the limitation thereon now imposed by the laws of the State of Ohio, which limitation the Company hereby covenants to faithfully observe, and

WHEREAS, the Company desires, upon the conversion of its unissued common capital stock into preferred stock, to change the par value of its authorized common capital stock from One Hundred Dollars (\$100) per share to Twenty-Five Dollars (\$25.00) per share, and to increase the number of shares into which its authorized common capital stock is divided, so that instead of an authorized common capital stock of Nine Million Eight Hundred Thirty Eight Thousand Three Hundred Dollars (\$9,838,300) per value, divided into Twenty Eight Thousand Three Hundred Eighty Three (28,383) shares of the par value of One Hundred Dollars (\$100) each, the authorized common capital stock shall be Nine Million Eight Hundred Thirty Eight Thousand and Three Hundred Dollars (\$9,838,300) per value, divided into Three Hundred Ninety Three Thousand Five Hundred Thirty Two (393,532) shares of the par value of Twenty Five Dollars (\$25.00) each, and so that in exchange for each share of the present outstanding common stock of the Company of the par value of One Hundred Dollars (\$100) the holder thereof shall be entitled to receive four (4) shares of said common stock of the par value of Twenty Five Dollars (\$25.00) each

NOW, WHEREFORE IT IS RESOLVED, that the articles of Incorporation of The Snorvin-Williams Company as heretofore amended be and the same are hereby further amended, so that Article Fourth thereof shall read as follows:

FOURTH The capital stock of said corporation shall be Twenty One Million Dollars (\$21,000,000), composed of Nine Million Eight Hundred Thirty Eight Thousand Three Hundred Dollars (\$9,838,300) of common capital stock, divided into Three Hundred Ninety Three Thousand Five Hundred Thirty Two (393,532) shares of the par value of Twenty Five Dollars (\$25.00) each, and Eleven Million One Hundred Sixty One Thousand Seven Hundred Dollars (\$11,161,700) of preferred capital stock, divided into One Hundred Eleven Thousand Six Hundred Seventeen (111,617) shares of the par value of One Hundred Dollars (\$100.00) each. The holder of each share of the present outstanding common stock of said corporation shall be entitled to receive in exchange therefor, four (4) shares of said common stock of the par value of Twenty Five Dollars (\$25.00) each. Said preferred capital stock shall be issued and disposed of within the limits provided in the first preferred

capital stock with and entitled to the following designation, preference, and voting powers, but subject to the following restrictions and qualifications thereon, to wit:

The said preferred stock shall be issued from time to time in series, each series, subsequent to Series A hereinafter provided for, to have such appropriate designation and such aggregate amount in par value and composed of such number of shares as the Board of Directors of the Company may determine.

The holders of the preferred stock shall be entitled to receive in preference to the common stockholders of the Company, quarterly during each year, when and as declared by the Board of Directors out of the surplus profits of the Company, dividends, cumulative from date of original issue of the respective shares comprising each series, at such rate for each issue subsequent to Series A, not to exceed the rate of (7%) seven per cent per annum, as shall have been fixed by resolution of the Board of Directors for the shares constituting the series of such preferred stock at the time provided to be issued, which when so fixed shall be stated on the certificate therefor, and shall be unalterable as to such shares after the issuance thereof so long as the same shall remain outstanding, and as to all shares of preferred stock issued by the Company, the rate of dividends specified in the certificates therefor, within the limit above prescribed shall be conclusively presumed to have been duly fixed and authorized by resolution of the Board of Directors.

Provided that in accordance with the authorization of the Board of Directors of the Company by resolution duly passed, the first series of said preferred stock, designated as "Series A", shall consist of said preferred stock now and hereafter authorized to an aggregate amount in par value of \$15,000,000 or composed of 150,000 shares, which shall bear cumulative dividends as aforesaid at the rate of 7% per annum, payable quarterly on the first days of March, July, September and December of each year.

Each share of preferred stock of any series shall be on a parity with the shares of all other series of said stock in all respects, except as to their respective rates of dividend.

In any year after full dividends for such year and for all preceding years, at the rate set out in the certificates for such stock, have been declared and paid, or set apart for the release of the preferred stock, and after the amount of preferred stock to be redeemed for such year, and all preceding years of redemption shall have been redeemed or the money necessary for such redemption has been set apart and deposited thereon, subject to the maintenance of net current assets and of net fixed assets, as hereinafter provided - dividends may be paid to the holder of common stock of the Company out of the remaining surplus profits of the Company as the Board of Directors may declare.

At any time within the year ending March 1, 1924, and in each year ending March 1 after said date, the Company shall deposit with The Cleveland Trust Company of Cleveland, Ohio, as Trustee, a sum set apart as a sinking fund for the purpose of redemption of its preferred stock, a sum sufficient at the redemption price, to redeem three per cent (3%) of the highest amount of its preferred stock at any time theretofore outstanding, whether then outstanding or not, provided, however, that this obligation may be satisfied by the Company, in whole or in part, for any year by the purchase, either before or during such year, of its outstanding preferred stock and the deposit of certificates therefor with said Cleveland Trust Company for cancellation. Said sinking fund, or such part thereof as is not satisfied by such deposit of stock, shall be used to buy at the market price, not exceeding said redemption price, or to call for redemption at the earliest redemption date after the termination of any such year, a sufficient number of shares to exhaust the balance remaining in such sinking fund.

The Company shall have the right at its option, on thirty (30) days' previous written notice to the stockholders of its intention so to do, addressed to them by registered mail at their last address as shown by the books of the Company to redeem on any quarterly dividend paying date, all or any part of said

Preferred stock, selected by lot or otherwise by the Board of Directors may determine, at the price of One Hundred and Fifty Dollars (\$150) per share and accrued dividends

The Company shall at all times maintain total net tangible assets, including stocks at book value of subsidiary companies whose capital is entirely owned by The Sherwin-Williams Company (depreciation deducted and not including patents, trade marks and good will) of the value of at least two hundred per cent (200%) of the par value of all preferred stock outstanding, including at all times net current assets, as herein defined, of the value of at least one hundred and ten per cent (110%) of the par value of all preferred stock outstanding. For the purpose hereof, net current assets shall be deemed to include assets of the Company and of its subsidiary companies, the entire capital stock of which is owned by The Sherwin-Williams Company, as well as Cash on hand or in bank, United States Government securities, stocks listed on a recognized exchange and taken at market value, readily marketable bonds, joint accounts and bills receivable, supplies, raw materials, and merchandise, consisting of goods manufactured and in process of manufacture at cost or the market value thereof, whichever is the lower, and in determining net current assets there shall be deducted from current assets, as above defined, all accounts and bills payable and other indebtedness owing by the Company except mortgage indebtedness.

So long as the Company is not in default for any four quarters in the payment of regular dividends on its preferred stock, or in the yearly redemption thereof or in the maintenance of total net tangible assets and net current assets, said preferred stock shall have no voting power, but in case of any such default, and during the continuance thereof, and until all unpaid dividends on said preferred stock shall be paid in full, but no longer, each preferred stockholder shall be entitled to receive notice of all meetings of stockholders, and each share of preferred stock outstanding shall entitle the holder thereof to cast four times the number of votes for each such share as the holder of the common stock is entitled to cast for each share of the common stock. In event, however, that the common stock of the Company is converted into stock having no nominal or par value, then the preferred stockholders shall as a class have equal voting power with the holders of such non-par value stock as a class.

No mortgage or lien shall be placed upon the plants, equipment or real estate of the Company, nor will the Company permit any such lien to be placed upon the plants, equipment or real estate of any subsidiary companies whose entire capital stock is owned by the Company nor shall any bonds, debentures, notes or other similar evidences of indebtedness mature later than two years from the date of issue, be created, issued or guaranteed by the Company, nor shall any additional preferred stock beyond an authorized issue of Forty Million Dollars (\$40,000,000) par value of preferred stock of the Company, having priority over or parity with said preferred stock, be issued, without the affirmative vote or assent in writing of the holders of at least three-fourths (3/4) in amount of the preferred stock at the time outstanding, provided, however, that the Company may without such assent acquire property, subject to existing mortgages or liens and create purchase money mortgages or liens on property so acquired at the time of such acquisition and renew the same.

The Company shall not issue preferred stock in excess of Fifteen Million Dollars (\$15,000,000) par value thereof and (a) its total net tangible assets, as hereinbefore defined, including the proceeds of the preferred stock proposed to be issued, are at least two hundred per cent (200%), nor unless its net current assets, as hereinbefore defined, are at least one hundred and ten per cent (110%), - of the entire amount of preferred stock of the Company then outstanding, including as part of the stock outstanding the shares of preferred stock then proposed to be issued, (b) its net earnings for the fiscal year next preceding such additional issue, as determined by a duly interested certified public accountant selected by the Cleveland Trust Company of Cleveland, Ohio, shall have amounted to not less than twice the amount required for the payment of annual dividends on said preferred stock then outstanding and on such proposed additional issue.

In the event of the liquidation or dissolution of the Company or any distribution of its assets, other than by way of dividends from surplus profits, the holders of preferred stock shall be entitled to be paid the par value of their shares, plus a premium of five per cent (5%) thereon, plus any accrued and unpaid dividends thereon, out of the assets of the Company, before any distribution is made to the holders of the common stock of the Company, - except in case of liquidation or dissolution on account of insolvency in which event the holders of the preferred stock shall be entitled to be paid the value of their shares, plus all accrued and unpaid dividends thereon out of the assets of the company, before any distribution is made to the holders of the common stock.

Except as herein provided, the holders of preferred stock shall not be entitled to share in any distribution in the profits of the Company, nor shall they be entitled to share in any stock dividends, or the privilege to subscribe for or purchase any additional stock of the Company, nor in any distribution of the assets of the company after payment of the par value of their shares, plus accrued and unpaid dividends thereon, in case of liquidation or dissolution on account of insolvency, or after payment of par value of their shares, plus a premium of five per cent (5%) thereon, plus accrued and unpaid dividends in any other case.

PROVIDED HOWEVER, AND IT IS FURTHER COVENED, that any outstanding shares of the seven per cent (7%) preferred stock and of the first issue of six per cent (6%) preferred stock of the Company, heretofore issued, shall until exchanged for the preferred stock of the Company hereinafter described, or redeemed, constitute and remain a part of the authorized preferred capital stock of the company, and at their present rate of dividends, and the Company shall reserve and place in the hands of The Cleveland Trust Company of Cleveland, Ohio, shares of the new preferred stock hereinafter described, equal in number to the shares of the Company's seven per cent (7%) preferred stock and of its first issue of six per cent (6%) preferred stock outstanding on and after March 1, 1900, the same to be thereafter either exchanged with the holders of said outstanding seven per cent (7%) preferred stock and of said outstanding first issue of six per cent (6%) preferred stock, share for share, or redeemed to the Company, share for share, for subsequent issue by it said outstanding seven per cent (7%) preferred stock and first issue of six per cent (6%) preferred stock shall be redeemed or purchased by the Company, and

BE IT FURTHER RESOLVED, that the President or a Vice President and the Secretary or Assistant Secretary of this Company do, and they are hereby authorized and directed to file a certificate of such amendment with the Secretary of State of the State of Ohio, and

BE IT FURTHER RESOLVED, that the Secretary or Assistant Secretary of this Company, be and he is hereby authorized and directed to publish notice of said amendment as required by law.

CERTIFICATE OF ADOPTION

To the Secretary of State, Columbus, Ohio.

The Sherwin-Williams Company, acting by S. P. Fenn, Vice President and R. W. Levenhagen, Secretary, hereby certifies that the foregoing is a true copy of the amendment to the Articles of Incorporation of The Sherwin-Williams Company, as heretofore amended, which was adopted by the vote of the holders of more than

three-fifths (3/5) of its subscribed and issued capital stock, and by the vote of more than fifty per cent (50%) in amount of the outstanding preferred stock, at a meeting thereof held at the Company's office in the City of Cleveland, Ohio, on the 19th day of February, 1930, at 10 o'clock, A. M. called by a majority of its Directors and pursuant to notice duly given by mail, to each stockholder of record more than thirty (30) days prior to such meeting, notice of the holding of such meeting and the purpose thereof, and by publication in The Cleveland News, a newspaper published and of general circulation in the City of Cleveland, Cuyahoga County, Ohio, where said Company's principal place of business is located, more than thirty (30) days prior to such meeting, - such notice stating among other purposes, the proposed amendment to the Articles of Incorporation, as required by law.

IN WITNESS WHEREOF, said S. P. Fern, Vice President, and R. W. Levernagon, Secretary of The Sherwin-Williams Company, acting for and on behalf of said corporation, have hereunto set their hands and caused the seal of said corporation to be affixed this 19th day of February, A. D. 1930

THE SHERWIN-WILLIAMS COMPANY

(SEAL)

By S. P. Fern, Vice President,

R. W. Levernagon, Secretary

filed Feb 20, 1920

Corp. No 8007

CERTIFICATE OF INCREASE OF COMMON CAPITAL STOCK

of

THE SHERWIN - WILLIAMS COMPANY

The Sherwin-Williams Company hereby certifies

(1) That on the 19th day of February 1920, it was a corporation duly organized and existing under the laws of the State of Ohio, that on said date its stockholders at a meeting thereof duly called and held as provided by law, authorized the amendment of its amended Articles of Incorporation so as to change all of its unissued common capital stock, its issued Seven per cent (7%) preferred capital stock, and the issued portion of its first issue of Six Per Cent (6%) preferred capital stock, as exchanged for the preferred capital stock hereinafter described, or when redeemed, and the unissued portion of said first issue of six per cent (6%) preferred stock, and the issued portion of the second issue of six per cent (6%) preferred stock as exchanged and when redeemed, and the unissued portion of said second issue of six per cent (6%) preferred stock into preferred capital stock having the characteristics of the preferred capital stock hereinafter described, and so as to provide that as to any unredeemed portions of said Seven per cent (7%) preferred stock and of said first issue of six per cent (6%) preferred stock, the same should constitute a part of the authorized preferred capital stock of the Company and continue at the present rate of dividend thereon until the same should be exchanged for the preferred stock having the characteristics hereinafter described or should be redeemed, and further authorized the amendment of its Articles of Incorporation so as to increase the number of shares in which the authorized common capital stock of the Company was divided and to reduce the par value thereof from One Hundred Dollars (\$100.00) a share to Twenty-Five Dollars (\$25.00) a share, and further authorized and directed the officers of this Company to file a certificate of this amendment with the Secretary of State of the State of Ohio, and to give notice thereof by publication, as required by the laws of the State of Ohio

(2) That at the time said amendment becomes effective as aforesaid, and when the increase herein referred to is intended to become effective, the authorized common capital stock of the Company shall be fully subscribed and an installment of more than Ten Per Cent (10%) of each share paid thereon

(3) That on said 19th day of February, 1920, at the aforesaid stockholders' meeting called by a majority of its directors, and held at the office of the Company in the City of Cleveland, Cuyahoga County, Ohio, due notice of which was given according to law by thirty days' publication in The Cleveland News, a newspaper published and of general circulation in Cuyahoga County, Ohio, and also by like notice by letter to each stockholder of the Company giving notice of said meeting and the purpose thereof more than fifty per cent (50%) of the total outstanding preferred stock of the Company, and three-fourths (3/4) in number of the stockholders of said corporation, and certifying at least three-fourths (3/4) of its entire capital stock, having consented, in writing, that the preferred capital stock might be increased as provided in the resolutions hereinafter set forth, the following resolutions were adopted by a vote of the holders of a majority of all of the stock of the Company

RESOLVED, that the capital stock of The Sherwin-Williams Company be, and the same is hereby increased from Twenty-One Million Dollars (\$21,000,000) consisting of Nine Million Eight Hundred Thirty Eight Thousand, Three Hundred Dollars (\$9,838,000) par value of common capital stock, divided into Three Hundred Ninety Three Thousand Five Hundred and Thirty Two (393,532) shares of the par value of

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Twenty-Five Dollars (\$25.00) each, and Eleven million One Hundred Sixty One thousand Seven Hundred Dollars (\$11,161,700) par value of preferred capital stock, divided into One Hundred Eleven thousand Six hundred and Seventeen (111,617) shares of the par value of One Hundred Dollars (\$100.00) each, to Sixty Million Dollars (\$60,000,000.), of which Twenty Million Dollars (\$20,000,000) shall be common capital stock, divided into Eight hundred thousand (800,000) shares of the par value of Twenty Five Dollars (\$25.00) each, and Forty Million Dollars (\$40,000,000) shall be preferred capital stock, divided into Four Hundred thousand (400,000) shares of the par value of One Hundred Dollars (\$100.00) each, identical in all respects with the preferred capital stock this day authorized, described in the Certificate of Amendment which this certificate accompanies, and which said preferred stock is entitled to the following designations, preferences and voting powers, and subject to the following restrictions and qualifications, to wit:

The said preferred stock shall be issued from time to time in series, each series subsequent to Series A hereinafter provided for, to have such appropriate designation and such aggregate amount in par value and composed of such number of shares as the Board of Directors of the Company may determine.

The holders of the preferred stock shall be entitled to receive in preference to the common stockholders of the Company, quarterly during each year, when and as declared by the Board of Directors out of the surplus profits of the Company, dividends cumulative from date of original issue of the respective shares comprising each series, at such rate, for each issue subsequent to Series A, not to exceed the rate of seven per cent (7%) per annum as shall have been fixed by resolution of the Board of Directors for the series constituting the series of such preferred stock at the time proposed to be issued, - which rate so fixed shall be stated in the certificate therefor, and shall be unalterable as to such shares after the issuance thereof so long as the same shall remain outstanding, and as to all shares of preferred stock issued by the Company, the rate of dividends specified in the certificate therefor, within the limit above prescribed shall be conclusively presumed to have been duly fixed and authorized by resolution of the Board of Directors.

Provided that in accordance with the determination of the Board of Directors of the Company by resolution duly passed, the first series of said preferred stock, designated as "Series A", shall consist of said preferred stock now and hereafter authorized to an aggregate amount in par value of \$15,000,000.00, composed of 150,000 shares, which shall bear cumulative dividends as aforesaid at the rate of 7% per annum, payable quarterly on the first days of March, July, September and December of each year.

Each share of preferred stock of any series shall be on a parity with the shares of all other series of said stock in all respects except as to their respective rates of dividend.

In any year after full dividends on such shares for all preceding years, at the rate set out in the certificates for such stock, have been declared and paid, or set apart for the holders of the preferred stock, and after the amount

of preferred stock to be redeemed for each year, and all preceding years of redemption shall have been redeemed or the money necessary for such redemption has been set apart and deposited then, subject to the maintenance of net current assets and of net tangible assets, as hereinafter provided, - dividends may be paid to the holders of common stock of the Company out of the remaining surplus profits of the Company as the Board of Directors may declare.

At any time within the year ending March 1, 1906, and in each year ending March 1 after said date, the Company shall deposit with the Cleveland Trust Company of Cleveland, Ohio, as Trustee, and set apart as a sinking fund for the purchase or redemption of its preferred stock, a sum sufficient at the redemption price, to redeem three per cent (3%) of the highest amount of its preferred stock at any time theretofore outstanding, whether then outstanding or not, provided, however, that this obligation may be satisfied by the Company, in whole or in part, for any year, by the purchase, either before or during such year, of its outstanding preferred stock and the deposit of certificates therefor with said Cleveland Trust Company for cancellation. Said sinking fund or such part thereof as is not satisfied by such deposit of stock, shall be used to buy at the market price, not exceeding said redemption price, or to call for redemption at the earliest redemption date after the termination of any such year, a sufficient amount of bonds to exhaust the balance remaining in such sinking fund.

The Company shall have the right at its option, on thirty (30) days' previous written notice to the stockholders of its intention so to do, addressed to them by registered mail at their last address as shown by the books of the Company to redeem on any quarterly dividend paying date, all or any part of said preferred stock selected by lot or otherwise as the Board of Directors may determine, at the price of One Hundred and Five Dollars (\$105.00) per share and accrued dividends.

The Company shall at all times maintain total net tangible assets, including stocks at book value of subsidiary companies whose capital is entirely owned by The Sherwin-Williams Company (depreciation deducted and not including patents, trade marks and good will) or the value of at least two hundred per cent (200%) or the par value of all preferred stock outstanding, including at all times net current assets, as herein defined, of the value of at least one hundred and ten per cent (110%) of the par value of all preferred stock outstanding. For the purpose hereof, net current assets shall be deemed to include assets of the Company and of its subsidiary companies, the entire capital stock of which is owned by The Sherwin-Williams Company as follows: Cash on hand or in bank, United States Government securities, stocks listed on a recognized exchange and taken at market value, readily marketable bonds, good accounts and bills receivable, supplies, raw materials and merchandise, consisting of goods manufactured and in process of manufacture at cost or the market value thereof, whichever is the lower, and in determining net current assets there shall be deducted from current assets, as above defined, all accounts and bills payable and other indebtedness owing to the Company, except mortgage indebtedness.

So long as the Company is not in default for any four quarters in the payment of regular dividends on its preferred stock, or in the yearly redemption thereof, or in the maintenance of total net tangible assets and net current assets, said preferred stock shall have no voting power, but in case of any such default, and during the continuance thereof, and until such regular dividends on said preferred stock shall be paid in full, but no longer, each preferred stockholder shall be entitled to receive notice of all meetings of stockholders, and each share of preferred stock outstanding shall entitle the holder thereof to cast four times the number of votes for each such share as the holder of the common stock is entitled to cast for each share of the common stock. In event, however, that the common stock of the Company is converted into stock having no nominal or par value, then the preferred stockholders shall as a class have equal voting power with the holders of such non-par common stock as a class.

No mortgage or lien shall be placed upon the plants, equipment or real estate of the Company, nor shall the Company permit any such lien to be placed upon the plants, equipment or real estate of any subsidiary companies whose entire capital stock is owned by the Company, nor shall any bonds, debentures,

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of 100,000 of

notes or other similar evidences of indebtedness, maturing later than two years from the date of issue, be created, issued or guaranteed by the Company, nor shall any additional preferred stock beyond an authorized issue of Forty Million Dollars (\$40,000,000.) per value of preferred stock of the Company, having priority over or parity with said preferred stock, be issued, - without the affirmative vote or assent in writing of the holders of at least three fourths (¾) in amount of the preferred stock at the time outstanding, provided, however, that the Company may without such assent acquire property subject to existing mortgages or liens and create purchase money mortgages or liens on property so acquired at the time of such acquisition, and renew the same.

The Company shall not issue preferred stock in excess of Fifteen Million Dollars (\$15,000,000.) per value thereof unless (a) its total net tangible assets, as heretofore defined, including therein the proceeds of the preferred stock proposed to be issued, are at least one hundred per cent (100%), nor unless its net current assets, as heretofore defined, are at least one hundred and ten per cent (110%) of the entire amount of preferred stock of the Company then outstanding, including as a part of the stock outstanding the shares of preferred stock then proposed to be issued, (b) its net earnings for the fiscal year next preceding such additional issue, as shown in a duly audited certified public account selected by The Cleveland Trust Company of Cleveland, Ohio, shall have amounted to not less than twice the amount required for the payment of annual dividends on said preferred stock then outstanding and on such proposed additional issue.

In the event of the liquidation or dissolution of the Company or any distribution of its assets other than by way of dividends from surplus profits, the holders of preferred stock shall be entitled to be paid the par value of their shares, plus a premium of five per cent (5%) thereon, plus any accrued and unpaid dividends thereon, out of the assets of the Company before any distribution is made to the holders of the common stock of the Company, except in case of liquidation or dissolution on account of insolvency in which event the holders of the preferred stock shall be entitled to be paid the value of their shares, plus all accrued and unpaid dividends thereon out of the assets of the Company, before any distribution is made to the holders of the common stock.

Except as herein provided, the holders of preferred stock shall not be entitled to share in any distribution of the profits of the Company, nor shall they be entitled to share in any stock dividends, or the privilege to subscribe for or purchase any additional stock of the Company, nor any distribution of the assets of the Company after payment of the par value of their shares, plus accrued and unpaid dividends thereon, in case of liquidation or dissolution on account of insolvency, or after payment of par value of their shares, plus a premium of (5%) Five Per Cent thereon, plus accrued and unpaid dividends in any other case.

PROVIDED HOWEVER, AND IT IS FURTHER PROVIDED, that any outstanding shares of the seven per cent (7%) preferred stock and of the first issue of six per cent (6%) preferred stock of the Company, heretofore issued, shall, until exchanged for the preferred stock of the Company hereinafter described, or redeemed, constitute and remain a part of the authorized preferred capital stock of the company, and at their present rate of dividends, and the Company shall reserve and place in the hands of The Cleveland Trust Company of Cleveland, Ohio, shares of the new preferred stock hereinafter described, equal in number to the shares of the Company's seven per cent (7%) preferred stock and of its first issue of six per cent (6%) preferred stock outstanding on and after March 1, 1920, the same to be thereafter either exchanged with the holder of said outstanding seven per cent (7%) preferred stock and of said outstanding first issue of six per cent (6%) preferred stock, share for share, or released to the Company, share for share, for subsequent issue by it as said outstanding seven per cent (7%) preferred stock and first issue of six per cent (6%) preferred stock shall be redeemed or purchased by the Company, and

UNITED STATES OF AMERICA,)
STATE OF OHIO,)
OFFICE OF THE SECRETARY OF STATE,)

I, HARVEY C. SMITH,
Secretary of State of the State of Ohio, do hereby certify
that the foregoing is an exemplified copy, carefully com-
pared by me with the original record now in my official
custody as Secretary of State, and found to be true and
correct, of the

CERTIFICATE OF INCORPORATION
OF
THE SHERWIN-WILLIAMS COMPANY

filed in this office on the 20th day of Feb'y , A. D. 1920, and
recorded in Volume 239, Page 461, of the Records of Incorporations

WITNESS my hand and official
seal at Columbus, this 20th
(SEAL) day of Feb'y A. D. 1920

(Signed) Harvey C. Smith,
Secretary of State.

UNITED STATES OF AMERICA,
 STATE OF OHIO,
 OFFICE OF THE SECRETARY OF STATE.

I, HARVEY C. SMITH,

Secretary of State of the State of Ohio, do hereby certify
 that the foregoing is an exemplified copy, carefully compared
 by me with the original record now in my official custody as
 Secretary of State, and found to be true and correct, of the

- Articles of Incorporation of The Sherwin-Williams Company, filed in this office on the 16th day of July, 1884, Vol. 30, Page 387;
- Certificate of Increase of above Company filed in this office on the 29th day of March, 1886, Vol. 34, Page 577;
- Certificate of Increase of above Company filed in this office on the 2nd day of March, 1889, Vol. 42, Page 618;
- Certificate of Increase of above Company filed in this office on the 19th day of January, 1892, Vol. 48, Page 558;
- Certificate of Increase of above Company filed in this office on the 16th day of January, 1901, Vol. 86, Page 150;
- Certificate of Increase of above Company, filed in this office on the 12th day of Dec., 1902, Vol. 64, Page 371;
- Certificate of Amendment of above Company filed in this office on the 12th day of December, 1902, Vol. 93, Page 414;
- Certificate of Increase of above Company, filed in this office on the 16th day of June, 1903, Vol. 78, Page 568;
- Certificate of Increase of above Company filed in this office on the 27th day of January, 1908, Vol. 171, Page 471;
- Certificate of Increase of above Company filed in this office on the 21st day of Dec. 1909, Vol. 131, Page 596;
- Certificate of Increase of above Company filed in this office on the 13th day of Nov. 1913, Vol. 174, Page 232;
- Certificate of Increase of above Company filed in this office on the 3rd day of April, 1917, Vol. 206, Page 49;
- Certificate of Increase of above Company filed in this office on the 20th day of Feb. 1920, Vol. 239, Page 461; and
- Certificate of Amendment of above Company, filed in this office on the 20th day of Feb. 1920, Vol. 239, Page 429; of the Records of Incorporations.

WITNESS my hand and official
 seal at Columbus, this 8th day
 of Nov. A. D. 1932.

Harvey C. Smith
 SECRETARY OF STATE

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Appointment of Agent

GENERAL INSTRUCTIONS MUST BE FOLLOWED IN ALL SITUATIONS (REFER TO RULE 23, 2011)

UNITED STATES OF AMERICA, 20574
STATE OF OHIO,
OFFICE OF THE SECRETARY OF STATE

I, BOB TAFT, Secretary of State of the State of Ohio, do hereby certify that the foregoing is a true and correct copy consisting of 2 pages, as taken from the original record now in my official custody as Secretary of State



WITNESS my hand and official seal at
Columbus, Ohio, this 20th day of
October A D 1927

Bob Taft

BOB TAFT
Secretary of State

By Jay Sullivan

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UNITED STATES OF AMERICA, 20574
STATE OF OHIO,
OFFICE OF THE SECRETARY OF STATE

I, BOB TAFT, Secretary of State of the State of Ohio, do hereby certify that the foregoing is a true and correct copy, consisting of 1 pages, as taken from the original record now in my official custody as Secretary of State



WITNESS my hand and official seal at
Columbus, Ohio, this 20th day of
October A D 19 97

Bob Taft

BOB TAFT
Secretary of State

By Jay Sullivan

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LOUISIANA LIMITED HOLDING COMPANY

Reference is made to the Amended Articles of Incorporation of the

Company, which was duly adopted by the Board of Directors of the Company on the 10th day of March, 1979, and the Board of Directors of the Company executed July 10, 1979, the Articles of Incorporation of the Board of Directors of the Company, which were duly adopted in lieu of the previous Articles of Incorporation of the Company, by the adoption of the following resolution:

RESOLVED, that the following Amended Articles of Incorporation of the Company are hereby adopted as the Articles of Incorporation of the Company, in lieu of the present Articles of Incorporation of the Company:

FILED 242

ALBION, DIRECTOR OF INCORPORATION
OF THE
OSBORN HARRINGTON INTERNATIONAL COMPANY
INTERNATIONAL COMPANY

ARTICLE: THE NAME OF THE CORPORATION SHALL BE THE OSBORN

INTERNATIONAL COMPANY.

SIXTH. AN OFFICE OF THE CORPORATION IN THE STATE

OF OHIO SHALL BE LOCATED IN THE CITY OF CLEVELAND IN THE COUNTY OF CUYAHOGA.

SEVENTH. THE CAPITAL STOCK OF THE CORPORATION SHALL BE

100,000 SHARES OF \$100.00 EACH.

EIGHTH. TO DEVELOP, PROMOTE, MANAGE, CONTROL, CONDUCT AND OPERATE THE BUSINESS OF THE CORPORATION, THE BOARD OF DIRECTORS SHALL BE COMPOSED OF FIVE (5) MEMBERS WHOSE NAMES SHALL BE LISTED IN THE CHARTERS AND BY-LAWS OF THE CORPORATION.

NINTH. THE BOARD OF DIRECTORS SHALL HAVE THE AUTHORITY TO MAKE, ALTER OR REPEAL SUCH BY-LAWS AS MAY BE NECESSARY TO CARRY OUT THE PURPOSES OF THE CORPORATION.

TENTH. THE CORPORATION SHALL HAVE THE AUTHORITY TO BORROW MONEY AND TO MORTGAGE OR PLEDGE ALL OR ANY PART OF ITS ASSETS FOR THE PURPOSES OF THE CORPORATION AND TO CONTRACT AND TO INCUR SUCH LIABILITIES AS MAY BE NECESSARY TO CARRY OUT THE PURPOSES OF THE CORPORATION. ANY CHANGE OF THE PURPOSES OF THE CORPORATION AUTHORIZED OR APPROVED BY THE HOLDERS OF SHARES ENTITLED TO EXERCISE THE PROVISIONS OF THE VOTING POWER OF THE CORPORATION NOW OR HEREAFTER REQUIRED BY STATUTE FOR SUCH AUTHORIZATION OR APPROVAL SHALL BE BINDING AND CONCLUSIVE UPON EVERY SHAREHOLDER OF THE CORPORATION AS FULLY AS IF SUCH SHAREHOLDER HAD VOTED THEREFOR, AND NO SHAREHOLDER, NOW OR HEREAFTER, THAT HE HAS VOTED AGAINST SUCH CHANGE OF PURPOSES OR THAT HE HAS OBJECTED IN WRITING THERETO, SHALL BE ENTITLED TO PAYMENT OF THE FAIR CASH VALUE OF HIS SHARES.

10/18/13
2/13

Article: The number of shares which the Corporation is authorized to issue, including its 2,000 shares of Common Stock of a par value of \$100 per share.

Article: No holders of any class of shares or the Corporation shall have any preemptive right to purchase or have preference in the purchase of any shares or other securities of the Corporation.

Article: The Corporation may from time to time, from time to time, and without action by the Board of Directors and without action by the shareholders, purchase or otherwise acquire shares of the Corporation of any class or classes in such manner, upon such terms and in such amounts as the Board of Directors shall determine; subject, however, to such limitations, if any, as is contained in the express terms of any class of shares of the Corporation outstanding at the time of purchase or otherwise in question.

Article: A director or officer of the Corporation shall not be disqualified by his office from dealing or contracting with the Corporation as a vendor, purchaser, employee, agent or otherwise; nor shall any transaction, contract or other act of the Corporation be void or voidable or in any way affected or invalidated by reason of the fact that any director or officer, or any firm in which such director or officer is a member or any corporation of which such director or officer is a shareholder, director or officer, is in any way interested in such transaction, contract or other act, provided the fact that such director, officer, firm or corporation is so interested shall be disclosed or shall be known to the Board of Directors.

UNITED STATES OF AMERICA, 20574
STATE OF OHIO,
OFFICE OF THE SECRETARY OF STATE

I, BOB TAFT, Secretary of State of the State of Ohio do hereby certify that the foregoing is a true and correct copy, consisting of 5 pages, as taken from the original record now in my official custody as Secretary of State



WITNESS my hand and official seal at
Columbus, Ohio, this 20th day of
October A D 1927

Bob Taft

BOB TAFT
Secretary of State

By Joy Sollier

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111 3-1-50

THE OSBORN MANUFACTURING INTERNATIONAL CORP.

Resolved, that the Board of Directors of the Company do hereby

authorize and empower the undersigned to execute and file

with the Secretary of State of the State of Ohio a Certificate of

Amendment to the Charter of the Company, the text of which is

set forth in the attached copy of the Certificate of Amendment,

and to execute and file with the Secretary of State of the State of Ohio

a Certificate of Incorporation of the Company, the text of which is

set forth in the attached copy of the Certificate of Incorporation.

IN WITNESS WHEREOF, the Board of Directors of the Company has caused this Resolution to be signed by its duly authorized officers and its Secretary, and the same to be attested by its Secretary, on this 1st day of March, 1950.

THE UNITED STATES OF AMERICA
20th day of November 1950

JOSEPH P. ...

JOSEPH P. ...

... the number of shares which the ...
... 2,000 shares of Common Stock ...
... of the Corporation.

FIFTH. ... by class of shares ...
... have any ... to purchase ...
... shares ... of the Corporation.

SIXTH. ... may issue ...
... without ... by the share-
... purchase or ... acquire shares of the Corporation of
... upon such ...
... Board of Directors ... subject ... to such limits
... contained in the ... of any
... outstanding at the time of the purchase
... acquisition in ...

SEVENTH. ... shall not be
... with the Corporation
... nor shall any trans-
... be void or voidable or
... that any director
... or officer, or any firm in which such director or officer is a member, or
... is a shareholder, director
... is in any way interested in such transaction, contract or other
... fact that such director, officer, firm or corporation
... shall be known to the Board of Directors

UNITED STATES OF AMERICA, 20574
STATE OF OHIO,
OFFICE OF THE SECRETARY OF STATE

I, BOB TAFT, Secretary of State of the State of Ohio, do hereby certify that the foregoing is a true and correct copy, consisting of 5 pages, as taken from the original record now in my official custody as Secretary of State



WITNESS my hand and official seal at
Columbus, Ohio, this 20th day of
October A D 1997

Bob Taft
BOB TAFT
Secretary of State

By Jay Sullivan

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13412-1257

approved by PD

Date 4-20-75

Fee

CERTIFICATE OF INCORPORATION

BY SHAREHOLDERS OF

OSBORN INTERNATIONAL CORPORATION

We, P. Imman, (President), and T. R. Miklich, (Assistant Secretary), of Osborn International Corporation, an Ohio corporation articles of incorporation of which are filed in the office of the Secretary of State on the 6th day of December, 1965, do hereby certify that

FIRST The name of the corporation is Osborn International Corporation

SECOND The place where its principal office in Ohio is or is to be located is Cleveland, Ohio, Cuyahoga County

THIRD The name, title, and complete post office addresses of its directors and officers are

NAME	TITLE	ADDRESS	CITY AND STATE
William Moran	Chairman of the Board and Director	101 Prospect Ave., N.W., Cleveland, Ohio 44111	44111
W. C. Fine	President and Vice President and	101 Prospect Ave., N.W., Cleveland, Ohio 44111	44111
J. F. Cole	Treasurer and Director	101 Prospect Ave., N.W., Cleveland, Ohio 44111	44111
W. P. Imman	Vice President and Secretary and Director	101 Prospect Ave., N.W., Cleveland, Ohio 44111	44111
T. R. Miklich	Assistant Secretary	101 Prospect Ave., N.W., Cleveland, Ohio 44111	44111

SW012

TOP

The name and address of the statutory agent is W. P. Imman, Vice President and Secretary, 101 Prospect Avenue, N.W., Cleveland, Ohio 44115.

The undersigned have been authorized to execute and file this certificate by a resolution adopted by the Board of Directors of the Corporation, and the undersigned hereby certify that the same was duly adopted and signed under provisions of Section 1701.51 of the Revised Code by all of the shareholders who would be entitled to a notice of a meeting held for such purpose, declaring that the corporation is to wind up its affairs and dissolve.

IN WITNESS WHEREOF, said W. P. Imman (Vice President), and T. R. Miklich (Secretary, for Assistant Secretary), of Oborn International Corporation

acting for and on behalf of said Corporation have hereto subscribed their names and caused the seal (if any) of said corporation to be hereunto annexed this /th day of , 1978

Oborn International Corporation
NAME OF CORPORATION

By W. P. Imman
W. P. Imman

By T. R. Miklich
T. R. Miklich

*Strike Phrase Inapplicable

2-119-1233

STATE OF OHIO)
COUNTY OF CUYAHOGA) SS

W. P. Inman, being first duly sworn, deposes and says that he is ~~the~~ vice president, ~~and~~ ~~responsible~~ of Osborn International Corporation that this affidavit is made in compliance with Section 1701 ~~or~~ 1702 ~~or~~ 1703 ~~17~~ of the Ohio Revised Code, that said corporation has no personal property in any county in the State of Ohio and that the net assets of said corporation are sufficient to pay all personal property taxes accrued to date

Osborn International Corporation

By W. P. Inman, Vice President

Sworn to and subscribed before me and in my presence this 29th day of March, 1981.

Margaret Ann Cross
Notary Public

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"



STATE OF OHIO
BUREAU OF WORKERS COMPENSATION
COLUMBUS 43215

W.C. - IV
10/20/70
10/20

10/20, 1970

Secretary of State's Office
State Office Tower 14th Floor
Columbus, Ohio 43215

Re: [illegible]

Dear Sir:

THIS IS TO CERTIFY that the above employer is
never amenable to the Ohio Workers' Compensation Law, and
we further certify that no premium is due the State Insurance
Fund.

Very truly yours,

Robert M. [illegible]

Director

Director of Accounts Department

March 27, 1978

1048 125

George W. Brown
Secretary of State
100 East
Columbus, Ohio 43215

Re: Osborn International Corporation
Ohio Certificate No. 7

Sir:

I wish to inform you that the corporation named above is not been
and to be subject under the provisions of the Ohio Employment
to pension law.

ARMAN A. WALKER, Assistant Director
Employment Certificate Contribution

By: *Donald L. ...*
DONALD L. ...
Chief, Contributions

D. ...

STATE OF OHIO
DEPARTMENT OF TAXATION

FORM 1000
1-78

Date March 26, 1978

Re OSBORN INTERNATIONAL CORPORATION
OHIO FRANCHISE REGISTRATION NO. 020574 INC 12 6 05 DOMESTIC

This is to certify that

- 1. Payment of all applicable sales, use, and other taxes due the State of Ohio up to
3-22-78 has been received
 has been guaranteed
- 2. All required franchise tax reports have been filed, and that all taxes or fees thereon
for the year 1978 have been paid
 have been guaranteed

By: *Signatures*

This certificate must be filed with the Secretary of State by December 31st of the year in which it is issued

UNITED STATES OF AMERICA, *20574*
STATE OF OHIO,
OFFICE OF THE SECRETARY OF STATE

I, BOB TAFT, Secretary of State of the State of Ohio, do hereby certify that the foregoing is a true and correct copy, consisting of 5 pages, as taken from the original record now in my official custody as Secretary of State



WITNESS my hand and official seal at
Columbus, Ohio, this 20th day of
October A D 19 27

Bob Taft

BOB TAFT
Secretary of State

By *Joy Soltner*

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SHERWIN-WILLIAMS CO.

CAPITAL STRUCTURE

TERM DEBT

Issue	Rating	Amount	Outstanding
7 1/2% Debenture, due 2016	A2	\$15,900,000	\$15,900,000
Other debt		8,118,000	8,118,000

EQUITY

Issue	Par Value	Rating	Shares	Outstanding
Common	\$1.00		1,854,454	813

Based on continuing operations. Data reported by Co. based on avg. ch.

Rating	Amount	Times		Call	Price Range
		1995	1994		
A2	\$15,900,000	126.79	93.79	100.00	123 1/2 - 106 1/2

Dividend	Yield	Call	Price	Price Range	
				1995	1994
\$0.64	50.56	100.00	123 1/2 - 106 1/2	123 1/2 - 104 1/2	33 1/2 - 29 1/2

HISTORY

Incorporated in Ohio July 16 1884 with a perpetual charter. Business was originally founded in July 1884 by Henry A. Sherwin a retail paint dealer in Cleveland. On Dec 6 1905 Co formed a wholly owned subsidiary The Clark Finishing & Milling Co. to engage in refining smelting etc. of lead and zinc. On Mar 1 1910 Co acquired Detroit White Lead Co. founded in 1880 manufacturer of white lead and zinc pigments. On Jan 30 1917 Co acquired The Martin-Schourm of Chicago Ill. founded in 1884 manufacturer of zinc and zinc oxide. On Mar 1 1920 Co acquired Acme White Lead & Works founded in 1884 with paint plants at Detroit Boston Dallas Los Angeles and Lincoln Nebraska. On May 19 1929 Co acquired The Lowe Brothers Co. of Ohio founded in 1869 a leading factor in the paint industry. On Mar 19 1930 Co acquired all the common stock of Lucas & Co. Inc. established in 1840 with paint plants at Elizabeth N.J. In Apr. 1934 acquired full ownership of this company through purchase of all its outstanding preferred. This subsidiary owned W.W. Co. paint and varnish manufacturer at Pittsburg Pa. In June 1931 Co acquired a controlling interest in the common stock of the Sherwin-Williams Co. of Canada. (see appended statement) total cost of investment in Sherwin Williams Co. of Canada, Ltd. was \$2,760. In July 1956 Co acquired assets of Rubberet Co. manufacturer of bus tires with plants at Newark, N.J. Cravenhurst Ont. In July 1966 Co acquired assets and business of Chemical Co. producer of organic chemicals and intermediates in Toledo O for \$15,298 thousand. In Sept. 1966 Co acquired net assets and business of Lyon Products Inc. a custom filler of wood-packing material in Redwood Cal for \$4,948 thousand shares by exchange of 9,117,8 of a share of 82,756 Sprayon shares. In Mar 1967 Co acquired Levitt Brothers Co. operator of home improvement department at 28 K Mart Center in Detroit, Mich. for 14,600 common shares. In Sept. 1968 Co acquired Osborn Manufacturing Co. producer of industrial power driven and maintenance tools. In exchange for 188,436 \$4.40 preferred shares on basis of one-half share for each of Osborn's outstanding shares (sold in Sept. 1975). In Dec. 1968 Co acquired for cash Vertabrickan Division N.Y. a paint manufacturer and distributor based in Zeist, Netherlands. In Mar 1969 Co. from Manufacturing Co. acquired for \$1,000,000 Schmitz & Ludwig and Comp. GmbH Frankfurt Germany producer of industrial power driven and maintenance tools. In 1972 Co. disposed of certain businesses and divisions of Chemical Group. In July 1973 Co. acquired Hadley Adhesive and Chemical Co. In Oct 1974 Co. sold titanium dioxide operation at Hamilton Ohio to SCM Corp. In Sept 1975 Co. sold substantially all assets of Osborn Manufacturing Co. In 1977 Co. disposed of certain businesses and facilities of Chemical Division and European Industrial domestic coatings facilities. In 1978 Co. disposed of approx 100 company-operated stores and portion of the coatings chemical and industrial segments. In 1980 Co. acquired certain businesses of Dutch firm Ashland Chemical Co. and the English firm. In 1981 Co. acquired Gray Drive Stores Inc. for \$1,079,000 (sold on June 27 1987). On Nov 30 1983 Co. sold Sherwin Williams Industrial Corp. In June 1985 Co. sold the majority of the Chemical Division. In Jan 1987 Co. through a subsidiary, acquired from Camp Inc. a fleet truckload common carrier. In June 1987 Co. sold its Drug Stores Segment. In July 1988 Co. through a subsidiary acquired the assets of Western Automotive Finishes Inc. On June 1 1990 Co. sold Lyons Transportation Inc. (LTI). On June 25 1990 Co. acquired certain assets of the Lyon and Hiron Bronza across paints and coatings businesses of Holden Inc. for \$137,510,000.

On Oct 27 1990 Co. acquired certain assets of the U.S. Consumer Paint business of DuSoto Inc. for \$66,959,000. On May 10 1991 Co. acquired certain assets of the Cuprinol brand premier line of stain and preservatives from English Bickford Industries, Inc. for the Consumer Division. On June 1 1991 Guardsman Products Inc. Co. sold certain assets of filling assets of its Holland Division to Co. for cash. On December 9 1991 Co. acquired the assets of the heavy duty protective coating and the automotive coatings business units of the Cook Paint and Varnish Co. in Kansas City MO. The purchase price was undisclosed. In Aug. 1994 Co. acquired the assets of the Old Quaker Paint Company of Ontario Cal. for an undisclosed purchase price. On Feb 1 1995 Co. acquired MLR Paints Inc. for an undisclosed purchase price. On Aug 29 1995 Co. acquired the assets of Con-Lex Coatings Inc. of Edison N.J. for an undisclosed purchase price. On Nov 1 1995 Co. acquired White Lightning Products Corp. of Bellevue Washington. On Jan 10 1996 Co. acquired Pratt & Lambert Unit 4 Inc. for approximately \$400 million. On Jan 10 1996 Co. acquired the capital stock of Productos Quimicos y Pinturas S.A. de C.V. and related companies located in the Republic of Mexico. The purchase price was undisclosed.

Proposed Acquisition On Feb 29 1990 Co. wholly-owned subsidiary Sherwin Williams Diversified B and Inc. purchased for Imperial Chemical Industries PLC (NYSE: ICI) the assets of the Household and Professional Products Division of ICI's subsidiary Grow Group Inc. The Household and Professional Products Division or Grow engages in the manufacture and sale of specialty lines of products and private label and branded household and professional cleaning products. The purchase price is undisclosed.

JOINT VENTURE In 1991 Co. and Hebeitz GmbH of Wuppertal Germany a subsidiary of Hoechst AG announced they have entered into a joint venture to distribute Standox brand vehicle refinishing paints in North America. Hebeitz Standox will be distributed by a select group of Co. automotive stores as well as through a network of independent distributors throughout North America.

BUSINESS & PRODUCTS The Sherwin Williams Company which was first incorporated under the laws of the State of Ohio eight years after its founding in 1866 is engaged in the manufacture distribution and sale of coatings and related products to professional industrial commercial and retail customers primarily throughout North America.

Paint Stores Segment The Paint Stores Segment exclusively distributes Sherwin Williams branded architectural coatings industrial maintenance products and industrial finishes produced by the Coatings Segment of the Company and similar coatings and related items produced by other Paint wholesalers floorcoverings window treatments spray equipment and other related products marketed by store personnel and direct sales representatives to the do-it-yourself consumer professional contractor industrial and commercial maintenance customer property manager architect and manufacturer of products requiring a factory finish. Competitors of the Segment are other paint and wallpaper manufacturers hardware stores hardware manufacturers and manufacturers of paint and related products. The competitive advantage in the highly fragmented paint product market lies in the ability of our customers to not have a retail advertising effect on the business of the Segment.

In order to sustain continued growth in the competitive market place the Segment recognizes that the customer knowledge and service provided by its store employees are critical to success. Substantial progress was made during 1995 in employee selection training development and retention. All store employees are required to complete an Employee Certification Program in order to be promoted in their position and eligible for promotion. This process commenced internally as Sherwin-Williams University or "SWU" requires employees to complete specific training in all areas of in-store activity such as product knowledge product application customer service and store operations. By the end of 1995 virtually all paint store employees had received such certification in their positions. While our training is the ultimate benefit through enhanced customer service employees are also more knowledgeable and

able to better manage their operations. This training along with a new job posting system which allows employees to preview and apply for better job promotion opportunities if they meet the certification and eligibility requirements. An improved employee retention to approximately the same level as the industry average in 1995. The investment in store employees will have an impact on the future growth and success of the Paint Stores Segment.

During 1996 the Segment plans to introduce several new products including the following: Wood Care 1000 a new exterior stain line designed to provide long-lasting color with an extended warranty. Health Protection paint product line with low odor characteristics. Water based paint application in occupied commercial buildings which is put in motion and schools. In addition to low VOC latex house paint to be introduced to contractor which will permit application in occupied areas up to 70 percent in some areas of the country. In response to consumer demand a new paint line also to be added to the Evolve line product line. Make two programs for this line expansion will be completed by the end of the year. In addition to promoting new products in 1996 several new products will also be highlighted in the wide selection of water-based products available with a low price guarantee at Sherwin-Williams stores further emphasis on the wide variety of products and services available through the store.

Coatings Segment The five divisions within the Coatings Segment (Coatings Consumer Brands Automotive Industrial Division Services and Diversified Brands) participate in the manufacture distribution and sale of coatings and related products. The Segment has the ability to certain customers that individually may be a significant portion of its revenues. However the loss of any single customer would not have a material adverse effect on the overall business of the Company. All technical expenditure are reported by the Company and occur in the Coatings Segment. The expenditure for research and development appear on pages 6 of the report.

Coatings Division The Coatings Division manufactures paint and paint-related products for do-it-yourself customers professional painters contractors industrial and commercial maintenance segments and manufacturers of factory finish products. Sherwin-Williams is a branded architectural and industrial finish line an unbranded color care line for the Paint Stores Segment. Labels color care and other brands are private label and other brands of color care are manufactured for the Paint Stores Segment. The Coatings Division and other divisions of the Company compete for the Division are professional maintenance manufacturer product quality service and customer care. Domestic competition of the Coatings Division is other coatings manufacturers located in the United States. There are approximately 900 units of manufacturers at the regional and national level. The Coatings Division continues to strive to be the lowest cost provider of high quality coatings to paint store customers over its competitors. The Coatings Division entered into the Company's international architectural division into the Division's operations beginning in 1975. There are many competitors in each of the Coatings Division's product lines. The Division's product lines include the high end industrial and professional and the consumer product lines. In December 31 1995 the Division had 41 lines in operation in 52 foreign countries. The majority of the Division's sales are in South America, the southeast United States. In 1995 the Division increased sales in each international growth during 1995 acquired Sherwin Williams Argentina S.A. (a former licensee) and purchased a paint store facility for the Division in Argentina. Additional new business development will take place following a pre-determined program established by the Coatings Division joint venture and licenses in selected countries.

During 1995 the Division introduced the manufacturing segment of several newly-acquired companies into the Division's integration includes application of the Division's manufacturing quality standards to the new operations to achieve overall production synergy which will result in effective capacity while enhancing product quality in 1995. The Division began full operations at its Fort Wayne Indiana powder coating facility and at its new construction of a new powder coating facility in Hillbury Pennsylvania. Powder coating is a dry powder coating environmentally friendly coating which can be applied with minimal waste. The addition of the facilities into its manufacturing base will

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allow the Division to meet the increasing demand for powder coatings.

In 1996 the primary goal of the Division will involve integrating the manufacturing operations of the Pratt & Lambert United Inc. (Pratt & Lambert) facilities which were acquired in January 1996 into the Division's core operation. Raw material and conversion cost savings are expected to be achieved while increasing production volume. In addition continued efforts will be made toward improving product quality and customer service, as well as continued attainment and/or renewal of ISO 9000 certification at all of the Division's newly acquired and existing facilities.

Consumer Brands Division

The Consumer Brands Division is responsible for the sales and marketing of branded and private label products by a direct sales staff to unfranchised home centers, major merchandisers, independent dealers and distributors. Many of the country's leading retailers are among the Division's principal and national customers. The Division's competition for sales to the leading retail center comes from over 500 regional and national paint manufacturers and distributors of branded and private label paint and associated products. The competitive factor that will set the leader apart from the rest is service, brand recognition, distribution and price.

During 1995 the Division targeted the retail home center for paint and stain products to expand its distribution outreach throughout the United States with notable success being achieved in previously underrepresented geographic regions. This program took place despite the consolidation of retail centers in the home center and independent paint store categories. The acquisition of F.I.R. Paints Incorporated earlier in the year provided the addition of the H&C® product line of coatings, stains and sealers. This product line is marketed nationally as a masonry coating with superior waterproofering and color enhancing qualities. Also during 1995 the Division successfully launched its own nationally broadcast television show "Room by Room" on the Home and Garden Television Network. This advertising method allows the Division to reach millions of potential customers while providing decorating suggestions for the average do it yourselfer.

In 1996 the Division will build on its advertising marketing program focusing on its new Ralph Lauren® product line which was first introduced at the end of 1995. In addition the Division will participate in the programs for Pratt & Lambert products which have a strong presence in the independently-owned paint and decorator stores. With continued emphasis on demographically-targeted marketing program and strategic product placement, the Division looks forward to becoming the total paint and stain supplier to more independent retail home center and major merchant stores throughout the United States in the upcoming year.

Automotive Division

The Automotive Division develops and manufactures motor vehicle finish and refinishing products which are marketed under the Sherwin-Williams® and other branded labels in the United States and Canada through its network of 143 company-operated branches. The branches are supported by a direct sales staff and product are also marketed through jobbers and wholesale distributors. The Division is the sole distributor of Standox® branded vehicle refinishing paints in the United States and Canada for Autocolor Standox Inc. a joint venture. The Division sells directly to independent automotive body shop, automotive dealerships, fleet owners and refinishers, production body builders and manufacturers requiring a factory finish (OEM). The Automotive Division has numerous competitors in its domestic and foreign markets with broad product offerings and several others with niche products. A subsidiary in Jamaica, generally markets a full line of product. Product manufactured in Kingston, Jamaica is sold through 9 stores and other dealers and by a direct sales force to independent and dealer paint contractors, automotive body shops and independent and commercial maintenance account in Jamaica. A portion of the income for the Division comes from the licensing of technology trademarks and trade names to foreign companies. The Division has 16 licenses in 15 foreign countries including new agreements signed in Syria and India in 1995. Key competitive factors for the Automotive Division are distribution, product quality, technology and service. Strong distribution and high quality product have been the Division's primary competitive advantages.

The Division opened a new store in the retail distribution service center in Richmond, Kentucky during 1995 and achieved ISO 9002 certified manufacturer independent certification at this site. The remaining distribution facilities of the Division were also certified during 1995 which emphasizes the Division's ongoing commitment to quality. New product development and customer service are primary goals to the Division. Several new products were introduced during the year to meet customer needs and expectations including the 35 volatile organic compounds (VOC) Acrylic Urethane (W.C.Thun®) system and the new high solid 2-1 VOC clearcoat. These technically advanced products were successfully designed to meet customer requirements while adhering to strict VOC environmental regulations.

During 1996 the Division will continue the development of new product and will introduce the spectrophotometer as an important tool used at the jobber and shop mixing location. This color-matching device will be used to select colors to exact specifications using the latest technological advances. In furtherance of the Division's

international growth Productos Quimicos Y Pinturas S.A. de C.V. and its affiliated companies (Productos) were acquired in January 1996. Productos is the second largest automotive paint distributor in Mexico manufacturing and marketing the Excelo™ brand product line for the vehicle finish market. The Division will concentrate on consolidating this acquisition with its other international operations in 1996.

Transportation Services Division

The Transportation Services Division provides warehousing, truckload freight, pool assembly freight brokerage and consolidation services primarily for the Company and for certain external manufacturers, distributors and retailers throughout the United States. This Division provides the Company with total logistic service support which allows increased delivery schedules, lower finished inventory level and fewer out of stock situations.

The Transportation Services Division has many different and diverse competitors. In the trucking industry there are a few large carriers having small or medium market share with thousands of other carriers competing for the balance of the market. The warehousing and distribution services in this industry are characterized by a large number of competitors with none having dominant share. Since the primary business of the Division is to provide services for the Company's other divisions, gaining market share is not of major significance.

The Division now 1,000,000 square foot state-of-the-art distribution service center in Frederickburg, Pennsylvania began operations in November 1995. This facility replaces four smaller facilities and will serve Paint Store, Consumer Brands and Diversified Brands Division's customers throughout most of the United States and Canada. Expansion of the Midwest distribution service center in Elmhurst, Illinois was substantially completed bringing the total square footage at this site to 1,300,000. These facilities will bring further efficiency to the Division's overall distribution function while maintaining its standard of quality service. To emphasize its commitment to quality the Division continued its pursuit of ISO 9003 certification during 1995 achieving such certification at all of its operating facilities except its new Frederickburg facility.

The Division's primary focus in 1996 will be to identify and utilize the most efficient distribution function of Pratt & Lambert with the Company. Efforts will be focused on implementing plans which will best serve customer needs while achieving overall cost savings for the Company.

Diversified Brands Division

The Diversified Brand Division (formerly the Specialty Division) competes in three areas: custom and industrial aerosols, paint applicators and retail and wholesale consumer goods. The Division participates in the retail and wholesale paint, automotive homecare products in national, regional and industrial markets. A wide variety of aerosol products are filled, packaged and distributed to regional and national customers. Approximately 81 percent of the Division's total sales represent aerosol and paint applicators sold to the Paint Store Segment. The remaining products are marketed through retail merchandise home centers, automotive chains and independent distribution channels. There are various primary competitors in each of the Division's product lines. The main competitive factors are technical know-how, quality, service and price. Superior quality products, excellent regulatory-complying products, leading position in electronic commerce and strong customer relations have enabled the Division to distinguish itself from the competition.

Several new products were introduced by the Division during 1995 including Kylon® Living Colors® 1 step enamel Living Colors® (a multipurpose paint for spray product to deliver a latex paint in aerosol form while offering a versatile color palette to meet a variety of decorating needs), the product reformer, the Company's leader in spray paint technology under the Kylon® brand offering superior flow, low odor and soap and water clean up while being VOC compliant. Other product introductions during 1995 included the Dupli Color® products which makes it easier for consumers to make scratch repair on their vehicles and Rust-Lo®, the Water Based enamel corrosion protective coating. These products exemplify the rewards of countless hours of research and development to which the Division is committed.

The new product introduced in 1995 will continue to be marketed with new advertising effort throughout 1996 including a national television commercial featuring Kylon® Living Colors® providing a positive impact on sales. The Division will also continue its research and development activities in search of products which meet or exceed customer expectations and which are technologically advanced in relation to those of its competitors.

Other Segment

The Other Segment is responsible for the acquisition, development, licensing and management of properties for use by the Company and others. Obtaining, hold estate in the proper location at the appropriate cost is a critical component to achieving the desired operating success, particularly for paint store and distribution services centers. This segment has many competitors consisting of other real estate owners, developers and investors in certain states where we currently hold property. The main competitive factor is the availability of property and price.

At the end of 1995 the Retail Properties Division owned or leased 211 properties representing over 1,700,000 square feet of space which are conducive to the sale of paint and associated products. Such properties

include 131 retail building for exclusive use by the Paint Store Segment, and 80 multi-tenant properties. In addition, when the basic needs of the paint store are met, an external retail opportunity can be profitably exploited. The paint store must be easily accessible to major retail painter and contractor with adjacent access to pickup and delivery areas. Multi-tenant properties are usually smaller strip shopping centers in strategic parking and primarily the paint store will be located at the end of the shopping area for the most convenient access. In 1996 the Division does not anticipate significant growth in the number of owned retail properties needed by the Paint Store Segment. The company had, for external space was 901 properties as of December 31, 1995.

The Non-Retail Properties Division owned or leased 70 properties representing 3.7 million square feet. These properties consist primarily of office buildings, manufacturing facilities and distribution service centers. At the end of 1995, 37 of these properties are currently under construction to provide the lower cost alternative for expansion of distribution operations. Locations that have been used profitably in the past which can no longer contribute to the Company's future plan, are currently offered for sale or lease. At the end of 1995, the Non-Retail Properties Division had achieved an overall occupancy rate of 93.9 percent.

PROPERTY

Company headquarters are located in Cleveland, Ohio. Company principal manufacturing and distribution facilities operated by the Coatings Segment are located as indicated below:

Table listing manufacturing facilities with columns for location and ownership status (Owned, Leased).

Table listing distribution facilities with columns for location and ownership status (Owned, Leased).

In addition to the Coatings Segment operations 143 company operated automotive centers of which 11 are owned, in the United States and Canada and 9 leased stores in Jamaica.

The Company's Company operated paint stores in the United States, Canada and Puerto Rico at December 31, 1995 which include the entire operations of the Paint Store Segment. All store operations locations with 67 company locations from the Company's Retail Properties Division in the Other Segment. At the end of 1995 the Paint Store Segment is comprised of four regional units, 271 paint stores in the Mid Western Division, 277 paint stores in the primary located in the midwest and upper central states and western Canada, the 127 paint stores in the 449 stores along the Gulf Coast and New England states and eastern Canada, the 50 paint stores in the Division which has 545 stores primarily by way of lower cost and full cost stores and Puerto Rico and the South Western Division with 513 stores in the low and lower west coast states. The Paint Store Segment had 59 new stores in 1995, closed 16 stores and sold 10 merchandise units 47%, thereby commencing a merchandising program which began in 1995.

SUBSIDIARIES

- List of subsidiaries including Sherwin-Williams (Canada) Inc., Sherwin-Williams (Cuba) Inc., Sherwin-Williams (Czech Republic) Ltd., Sherwin-Williams (France) Ltd., Sherwin-Williams (Germany) Ltd., Sherwin-Williams (Italy) Ltd., Sherwin-Williams (Japan) Ltd., Sherwin-Williams (Korea) Ltd., Sherwin-Williams (Mexico) S.A. de C.V., Sherwin-Williams (Netherlands) B.V., Sherwin-Williams (Poland) Sp. z o.o., Sherwin-Williams (Spain) S.A., Sherwin-Williams (Sweden) AB, Sherwin-Williams (Switzerland) AG, Sherwin-Williams (Taiwan) Ltd., Sherwin-Williams (Thailand) Ltd., Sherwin-Williams (United Kingdom) Ltd., Sherwin-Williams (USA) Inc., Sherwin-Williams (Vietnam) Ltd.

- William Florida Sales Corporation Limited
- Transportation Systems Company
- Product Company
- Paints, Inc. (partially)
- International Company
- Williams Acceptance Corporation
- Williams Automotive Finishes Corp
- Williams Diversified Brands, Inc
- Williams International Company
- Inc.
- Inc.

TO SHAREHOLDERS

Following is the letter to shareholders by John G. ... Chairman and Chief Executive Officer, and ... President and Chief Operating Officer of The Sherwin-Williams Co., as it appeared in the 1995 Annual Report.

Shareholders and our employees combined their efforts in 1995 to produce another year with record net sales of over \$3 billion and net income of more than \$200 million. We ended 1995 with a balance sheet and generated over \$280 million in cash flow. Our strong financial condition enabled us to acquire FIR Paint Incorporated, Con Lux Coatings Inc. (Con Lux) White Products Corp (White Products) and Sherwin-Williams Argentina S.A. (S.W. Argentina) for a total of \$1.2 billion in early 1996. We were successful in acquiring Quimicos Y Pinturas S.A. de C.V. (Quimicos Y Pinturas) and completed the merger with Pratt & Lambert, Inc. (Pratt & Lambert) pursuant to the Agreement of Merger entered into in November. We will continue to pursue acquisitions of complementary businesses throughout North and South America which will benefit the future of our Company. The fourth consecutive year, the Paint Store Segment achieved record sales in sales and operating volume gains to wholesale customers (which are contractors, professional painters and industrial maintenance accounts) in each of the four geographically-divided divisions. In 1995 providing the majority of the segment's sales increase over 1994. Retail sales also grew throughout the year in order to help offset increased raw material costs. The Segment implemented a pricing program and contained its operating and administrative expenditures, leading to a 10 percent improvement over 1994 in operating profit. We continued to increase the number of paint stores in 1995, adding 43 net new stores, including our new store in Allentown. Our re-merchandising program involved new sales floor layouts, improved storage and added floor display was completed in 1995. In 1996 we plan to add 50 stores and will invest approximately \$10 million for improved point-of-purchase at the stores.

The Company's Segment's annual net sales increased 10 percent in 1995. Sales in certain divisions of the Segment were adversely affected by reduced demand particularly in the automotive aftermarket. Operating results were negatively impacted by increased costs for materials such as titanium dioxide and solvents. Market equilibrium will positively impact sales of segments in 1996. Each of the divisions in the Segment are working to integrate newly-acquired businesses into their operations without disruption in manufacturing and customer service.

The Consumer Brands Division completed a good year in 1995 with increased sales and improved margins over last year. The Division (Dutch Boy) was the primary contributor to the increase in 1995. The Division's sales fully added several new products during the year and the Pratt & Lambert Segment particularly in the independent paint market. The Division will continue its extensive marketing efforts with targeted promotion of both new and legacy product lines, including Dutch Boy, Latex and H&C. The Consumer Brands Division primary goal is to produce the highest quality products at the lowest cost of production in 1996, although profitability will be positively impacted by increased production volume. The Division will continue to invest in the other divisions to bring them up to par. Much of the success of the Division is attributed to its ongoing commitment to research and development and to its use of only top quality products sold to our customers. A state-of-the-art testing facility in Medina, Ohio continues to be used. The new Paint Lab is used to conduct various tests of performance using a variety of product applications, equipment, methods, of application and substrate.

The results of these tests are entered into a computer data base along with records of the weather conditions at the time of application and are thoroughly reviewed by technical personnel and management of the Division for use in the production of new products and the production of existing products.

The Diversified Brands Division (formerly the Specialty Division) was adversely affected by reduced retail demand in the do-it-yourself consumer market during 1995. As a result it also for 1995 was flat with 1994. The management team has developed several new marketing efforts to assist in generating increased retail market reaction to the Division's newest product, Krylon® Living Colors® Latex Enamel and Rust Tough® Water Based Enamel in favorable. The Division will concentrate its effort in the upcoming year on continued research and development of effective marketing programs to both current and potential customers and integration of newly acquired operations and product lines.

The Transportation Services Division completed another successful year with reduced costs of operation. The Division's primary responsibility is to provide total logistic service support for the majority of the other divisions of the Company to allow those divisions to concentrate solely on their primary business objectives. The Division plans to complete the consolidation of the Diversified Brands Division's distribution function with its operations and will integrate the distribution operations of Pratt & Lambert in 1996. This will be accomplished in our own facilities which include a new distribution center in Bucksburg, Pennsylvania and an expanded center in Effingham, Illinois.

The Automotive Division which operates in a highly competitive industry completed a difficult year with sales increasing slightly over 1994. The introduction of several new products during 1996 including a water based (Volkswagen) topcoat system for truck manufacturers and the acquisition of Productos Quimicos Y Pinturas in Mexico will provide opportunities for growth throughout North America. The Division will continue to focus its efforts on improving customer satisfaction to maintain a competitive force in the industry.

Our subsidiary in Brazil increased sales and profits over 1994. Our subsidiary in Mexico however continued to suffer declining sales. Our recent acquisition in Argentina fits into our plan for increased focus on international growth in the Americas.

The acquisitions made during 1995 and early 1996 will provide many opportunities and the potential for achieving improved profits for years to come. The acquisition of FIR in February 1995 provides us with its H&C brand of high performance concrete stains and sealers as well as a variety of specialty products. The product had previously been distributed in Florida and the southern United States. The majority consisting of a good fit with our existing business and we have the ability to market and distribute the top quality products nationally through our extensive distribution and marketing channel. The extension of the product line nationally began in 1995 and will be completed during 1996 when a H&C product will be available in our paint store. The acquisition of Con Lux in August 1995 provides us with another complementary business which manufactures high performance coating, industrial products and architectural finishes. We will capitalize on our distribution strength to market the highly respected Con-Lux® products under a joint Sherwin-Williams/Con Lux label to existing and potential customers. In November 1995 we acquired White Lightning, a manufacturer of high-quality caulks and sealants. When combined with our existing caulks business we have the opportunity to significantly expand the market distribution channel of these products. White Lightning is a natural complement to our coatings business. The acquisition of our former licensee S.W. Argentina in December 1995 provides us with an increased presence in South America where our name and products have a established reputation. The acquisition of Productos Quimicos Y Pinturas in January 1996 will allow us to serve the vehicle retail market in Mexico through our factories and markets of the "Pratt & Lambert" brand products. Finally the merger with Pratt & Lambert expands our large marketing to the Pratt & Lambert markets, factories and markets coating and adhesive, to and penetrate into the home, home centers and specialty markets. The addition of Pratt & Lambert into our business will provide us with an expanded customer base and the benefits of Pratt & Lambert's reputation of providing quality products to independent dealers since 1849. We expect this acquisition to add significant value to our business.

During 1995 Mr. Ralph J. Schey Chairman and Chief Executive Officer of The Scott & Fetzer Company returned to our Board. We would like to thank him for his 10 years of dedicated service to our Board. We would also like to take this opportunity to welcome Mr. Duane L. Collins, President and Chief Executive Officer of Parker-Hannifin Corporation who was

appointed a Director in January 1996. His experience and knowledge will aid us in meeting our future strategic objectives.

Consolidating the internal management functions of our Company effective January 1, 1996 the following organizational change was made: Mr. Stuart H. Henny previously Controller for the Paint Stores Group was appointed Vice President-Information Services. Mr. William P. Antonelli to newly Vice President of Operations for the Consumer Division was named President & General Manager of the Transportation Services Division.

As we enter our year in 1996 will depend on our ongoing commitment to product quality and customer service. The objective on which this Company will focus is to reach a company success is dependent on the dedication and hard work of its employees and it is their effort that made 1995 another record year. Our recent acquisitions have further positioned the Company to become a leader in our highly-competitive industry. We look forward to the challenges ahead and are confident that the financial growth and acquisition made in 1995 and early 1996 along with the competitive drive of our people will result in another year of earnings growth and help solidify our commitment to becoming "America's Paint Company".

John G. Brien
Chairman and Chief Executive Officer

Thomas A. Conroy
President and Chief Operating Officer

- MANAGEMENT EXECUTIVE OFFICERS
- John G. Brien, Chairman & CEO
 - Thomas A. Conroy, President & COO
 - Larry J. Patis, Sr. VP Finance & Tax
 - John J. Ault, VP Corp. Controller
 - Sam P. Hennessey, VP Information Services
 - Conway G. Ivy, VP Corp. Planning & Dev.
 - Robert E. Hunsley, VP Admin.
 - Thomas J. Hennessey, VP Human Resources
 - Lois F. St. Lito, VP General Counsel & Sec.
 - James J. Scambellone, Asst. Sec. & Corp. Director

- DIRECTORS
- James V. Higgins (67), Chairman & CEO, Glencan Corp., Chairman, Gateway Economic Development Corp., and New Cleveland Campaign Dir., National City Bank, and National City Corp.
 - John C. Brien (61), Chairman & CFO, Dir. National City Corp., and Dir. Corp. Parker-Hannifin Corp. and The Goodyear Tire and Rubber Company.
 - Leah Cantor (70), Retired Pres. & COO of GE, Dir. The Adams Express Co., Cantor Company Corp., The Lamson and Sessions Co., NCC Fund, and Peach and Resources Corp.
 - Duane L. Collins (59), Pres. & CEO, Parker-Hannifin Corporation.
 - Thomas A. Conroy (53), Pres. & COO, Dir. Society National Bank, Centurion Realty Corp. and the Cleveland Growth Association.
 - Dwight E. Evans (59), Chairman, CEO & Sec. Bob Evans, Inc., Dir. Evans Enterprises, Inc., Motor Vehicle Mutual Insurance Company, National City Bank and National City Corp.
 - Richard W. Mainwaring (59), President, Chairman and Chief Executive Officer, DuPont Inc.
 - William C. Mitchell (65), Retired former Vice President of DuPont, Int'l. Corp. The North Carolina Company, Northern Trust Corp. and Peoples Life & Fire Corp.
 - A. M. John Wilson III (55), Chairman, CFO and President, DuPont, DuPont The Lumber and Seasonal Co. and DuPont Venture Capital.
 - John O. Pithers (51), VP, Environmental and Safety, former Ford Motor Co., Dir. M.C.N. Corp., Center for Environmental Law Institute, International Union of Pure and Applied Chem.
 - Richard W. Smucker (47), Pres. The J.M. Smucker Company, DuPont, The J.M. Smucker Company and the W.W. Wadley Company.

Arthur S. Flint & Young LLP
Announced in April
Shareholder Relations, Conway G. Ivy, Vice President, Corp. Planning & Dev. Tel: (216) 566-2000
No. of shareholders Jan 31 1996 12,078
No. of employees Dec 31 1995 18,500 (approx.)
Address: 101 Prospect Ave. NW, Cleveland OH 44115-1075 Tel: (216) 566-2000 Fax: (216) 566-3510

COMI ACCOUNTS

CONSOLIDATED INCOME ACCOUNT YEARS ENDED DEC 31

	(\$000)	1995	1994	1993	1992	1991	1990	1989
Net sales		3,273,819	3,100,069	2,919,305	2,747,633	2,541,446	2,266,732	2,123,483
Cost of goods sold		1,877,083	1,772,671	1,696,959	1,559,430	1,500,298	1,337,947	1,275,119
Operating expenses		1,075,142	1,018,470	991,250	911,650	825,859	745,651	685,645
Other income		-2,537	3,217	6,453	8,576	12,326	10,902	13,149
Other expense		11,518	8,222	7,020	4,738	9,114	10,159	13,810
Other income		10,433	7,500	5,445				
Other expense		69,376	812,660	4,155				

Prov for environmental remediation	d:10 136	d:4 700	6 059				
Prov for dep & termination of ops	d:1 007	d:1 817	916				
Miscellaneous	d:1 696	d:3 748	1,594				
Other	11 782	15 420	7 279				
Other				d:17 921	d:9,206	4 881	6 831
Total costs & expenses	2 955 371	2,801,556	2 684 939	2 521 839	2 342 635	2 079 455	1 953,772
Incl bnf income taxes	318 498	298 513	264,364	275 734	198 811	181 271	170,211
Income tax	11 784	111 942	99 137	81,353	70,576	64 611	61 776
Incl bnf cum effects of acctg chg				144 636	128,233	122,666	
Acct chg income tax				16 657			
Acct chg postretirement ben				67 878			
Net income	200 654	186 571	165,227	67 869	128,233	122 666	108 935
Prov n.tan equ	1 096 066	957 858	828 851	805 639	717 233	621 750	552 764
Cash dividends	54,553	48 363	44,373	36 739	36 777	32,890	30 031
Unfunded pens & other			8 153	6,944	1 950	707	9 868
Retained earnings	1,242 167	1 096 066	957 858	878 151	805 659	712,233	621 750
Earn com sh							
Primary							
Cont oper	\$2.34	\$2.15	\$1.85	\$1.63	\$1.45	\$1.41	
Acctg change				\$0.20			
Earn com sh	\$2.34	\$2.15	\$1.85	\$0.71	\$1.45	\$1.41	\$1.76
Fully diluted							
Earn com sh	\$2.34	\$2.15					
Common sh... (000)							
Year-end	85 455	84 826	88,506	88,381	87 643	86 739	86 254
Average							
Primary	85 743	86 862	89 436	88 905	88 182	87 056	86 326
Fully diluted	85 830	86 946	89,547	89 012			

[A] Reported by Co [A] Adjusted for 2 for 1 stock split, 04/01/91

CONSOLIDATED STATEMENT OF CASH FLOWS YEARS ENDED DEC 31

	1995	1994	1993	1992	1991	1990	1989
Net income	200 654	186,571	165,227	67 869	128 233	122 666	108 935
Depreciation	67 911	60,571	55 067	(3 416)	(18,329)	(21 873)	(21 873)
Deferr tax exp	6,267	5 712	4 916	10 136	14 400	7 859	13 153
Prov for environmental remediation	16 971	13 153	13 153	(7 612)	(11 379)	(16 113)	(16 113)
Amort of intang assets	3 657	5 139	2 921	10 077	15 099	23 746	23 746
Deferred ben post-retire plan	(19,571)	(13 836)	(26 106)	3 922	(28 748)	(19,554)	(19,554)
Net postretirement ben plan exp	17,283	3 933	23 438	(8 577)	964	16 697	16 697
Other	3 246	6 991	14 977	(13 066)	19 751	13 067	13 067
Incr in acct receiv	(1 003)	(6 949)	(5 767)	1 715	(2,520)	4 278	4 278
Deer (incr) in invent							
Incr in acct pay							
Incr (decr) in accrued tax							
Incr in accrued empl welf ac cost							
Other cur items							
Cost incurred for disposition of oper							
Other							
Net oper cash	282,775	250,523	255 980	(16,307)	(78 660)	(62 985)	(62 985)
Cap expenditures	(225 809)	(40 369)	(103 044)	(604)	(19 607)	(33 711)	(33 711)
Deer (incr) in short term invest				(54 553)	(48 363)	(44 377)	(44 377)
Acquis of assets	11 104	6 301	9,555	(17,357)	(128 148)	(16,144)	(16,144)
Incr in other invest	2,766	986	2,148				
Other							
Net inv. inv. cash	(225 809)	(40 369)	(103 044)				
Pay of long term debt							
Pay of cash div							
Proc fr tk option exercised							
Purchases of stk of othe							
Other							
Net financing cash	(58 854)	(188 831)	(84,545)				
Net incr in cash & cash equiv	(1,931)	21 373	65,391				
Cash & cash equiv at beg of yr	251 415	230 092	164 701				
Cash & cash equiv at end of yr	249 484	251 415	230 092				
Tax paid on inc	122,687	132,573	102,517				
Int paid on debt	7,526	3 314	7 866				

BALANCE SHEET IS

CONSOLIDATED BALANCE SHEET AS OF DEC 31

	(\$000)	1995	1994	1993	1992	1991	1990	1989
Assets								
Cash & cash equiv		249 484	251 415	230 092	16 701	100 765	95 977	132,214
Short term investments		20 000		39 700	3 011		3 000	69 948
Acct receiv less allow		334 304	310 984	297,527	277,571	1,6547	2 99 926	205,661
Inventories		174,63 087	459 220	428 018	67 111	471 04	373 338	376 451
Deferred income tax		7,583	73 956	58 705	31 576			
Other current assets		100 440	93 039	96 145	50 111	118 620	122 027	111 621
Total current assets		1 238 898	1 188 624	1 151 047	95 164	687 137	824 268	845 851
Deferred pension debt		233,574	225 962	214,513	19 977	17 230	157 038	143 138
Intang & other assets		212,224	138,243	154 925	107 355	175 149	149 740	27 541
Grp prop pnt & equip		987 434	692,553	838 754	1,182 553	1,14 879	687 858	646,778
Less allow for deprec		531 077	483 351	444 634	557 779	557 779	314 508	287 873
Prop pnt & equip net		456 357	409 202	394 070	624 774	577 090	373,350	358 865
Total assets		2 141 053	1 962 031	1 914 665	1 799 555	1 611 900	1 501 396	1 374,695
Liabilities								
Account payable		276 863	258 930	254 997	231,579	213 556	202 655	176,001
Compan & tax withhd		78 148	79 110	71 476	65 777	60,212	56 477	52,254
Curr port of long term debt								
Other accruals		232 035	218 240	187,324	170 751	152 059	145 249	157 829
Accrued taxes		31 891	40 768	39 804	41 34	77 07	24 910	26 030
Total current liabil		618 977	597 048	553 601	473 777	488 777	432,112	433 708
Long term debt		24,018	20 465	37 901	60 079	71 764	137 999	104 952
Deferred income tax								
Postretirement ben other than pens		175 766	172 114	166 025	163 10	99 793	98 036	97 122
Other long term liabil		110 206	119 060					
Other long term liabil								
Common stock		110 110	100 370	123 967	110 702	83 960	72 475	75 480
Other capital		187 311	159 567	150 203	174 001	116 683	150 661	142 999
Retained earnings		1 242 167	1 096 066	957 858	878 851	805 659	712 233	621 750
Cum fin currency trans lndy		20 657	20 006	20 383	18 975	18 625	15 269	14 194
Total stock of co		1 212 126	1 053 344	1 033 171	905 757	1 013 607	1 013 280	1 131 904
Total equity		2 141 053	1 962 031	1 914 665	1 777 155	1 611 900	1 504 396	1 374 695
Net current assets		619 961	591 576	597 486	493 671	513 715	392 086	412,547

[R] Reclassified to conform with current presentation [L] Last in first out [P] Par value \$1 Authorized shares: 1995 300 000 000 1994 300 000 000 1993 300 000 000 1992 200 000 000 1991 200 000 000 1990 200 000 000 1989 200 000 000 [S] Shares: 1995 15 635 414 1994 15 544 073 1993 11 487 981 1992 10 993 757 1991 10 357 716 1990 11 177 767 1989 10 710 940

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Thousands of Dollars Unless Otherwise Indicated)

(As taken from Annual Report of Company)

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

CONSOLIDATION - The consolidated financial statements include all significant controlled subsidiaries, inter-company account, and transactions have been eliminated.

BUSINESS SEGMENTS - Business segment information appears on pages 1 through 7 of the report.

CURRENCY TRANSLATION - All consolidated foreign operations are reported in the local currency of the country of operation as the functional currency and translated to the local currency asset and liability accounts at year-end exchange rates while income and expense accounts are translated at average exchange rates. The resulting translation adjustments are accumulated as a separate component of Shareholder Equity with a cumulative foreign currency translation adjustment.

LIQUIDITY - The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

NATURE OF OPERATIONS - The Company is engaged in the manufacture, distribution and sale of coatings and related products to professional, industrial, commercial and retail customers primarily in North America.

USE OF ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amount reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

ENVIRONMENTAL MATTERS - Capital expenditures for ongoing environmental compliance activities are recorded in the consolidated balance sheet and related expenses are included in the normal operating expenses of continuing business. The Company is involved with environmental compliance and remediation activities at some of its current and former sites and at a number of third-party sites. The Company anticipates certain environmental remediation activities for which commitments or clean-up plans have been developed or for which costs or minimum costs can be reasonably estimated. All accrued amounts are recorded on an

unaccrued basis. See Note 4 and Note 10 for discussion of the environmental-related expenses and accruals included in the financial statements.

PROPERTY PLANT & EQUIPMENT - Property plant and equipment is stated on the basis of cost. Depreciation is provided principally by the straight-line method. The major classes of assets and ranges of depreciation rates are as follows:

Buildings	20-30%
Machinery & equipment	3%-20%
Furniture & fixtures	5%-20%
Automobiles & truck	10%-33 1/3%

INVESTMENT IN LIFE INSURANCE - The Company invests in broad-based corporate owned life insurance. The cash surrender value of the policies net of policy loan is included in Other Assets. The net expense associated with such investment is included in Other Cost and Expenses. Such expense is immaterial to income before income tax.

INTANGIBLES - Intangible assets were \$122,862, \$105,821 and \$115,765 net of accumulated amortization of \$65,114, \$62,744 and \$49,962, at December 31, 1995, 1994 and 1993, respectively. These assets are amortized by the straight line method over the expected period of benefit. The Company reviews such assets for impairment and revises the related estimated remaining life, if necessary.

TECHNICAL EXPENDITURES - Technical expenditures include research and development costs, quality control product formulation expenditures, and other similar items. Research and development costs included in technical expenditures were \$17,233, \$16,319 and \$17,190 for 1995, 1994 and 1993, respectively.

ADVERTISING EXPENSES - The cost of advertising is expensed as incurred. The Company incurred \$154,788, \$148,913 and \$144,778 in advertising costs during 1995, 1994 and 1993, respectively.

IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS - In March 1995, the Financial Accounting Standards Board issued Statement No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of, which requires impairment losses to be recorded on long-lived assets used in operations when a indicator of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. Statement 121 also addresses the accounting for long-lived assets that are expected to be

disposed of. The Company will adopt Statement 121 in the first quarter of 1996 and based on current circumstances does not believe the effect of adoption will be material.

NET INCOME PER SHARE - Net income per share was computed by first on the average number of shares outstanding during the year. See computation on page 43 of this report.

LINEARS OF CREDIT - The Company occasionally enters into standby letters of credit agreements to fund its various operating activities. These agreements, which expire in 1996, provide credit availability to the various beneficiaries if certain contractual events occur. Amount outstanding under these agreements total \$17,675, \$20,091 and \$21,656 at December 31, 1995, 1994 and 1993, respectively.

FAIR VALUE OF FINANCIAL INSTRUMENTS - The following methods and assumptions were used by the Company in estimating fair value disclosures for financial instruments:

Cash and cash equivalents - The carrying amount reported in the consolidated balance sheet for cash and cash equivalents at approximate fair value.

Short term investments - The carrying amount reported in the consolidated balance sheet for marketable debt and equity securities are based on quoted market prices and are at approximate fair value.

Investments in Securities - The Company maintains a fixed income investment fund to provide for payment of health care benefits of certain qualified employees. These investments are classified as held-to-maturity securities with the related carrying amounts included in Other Assets. The estimated fair values of these investments are shown below at quoted market prices:

	December 31		
	1995	1994	1993
Carrying amount	\$34,085	\$37,776	\$38,064
Fair value	\$34,709	\$37,668	\$42,235

Long term debt (including current portion) - The carrying amount of the Company's publicly traded debt securities shown below are based on quoted market prices. The carrying amount of the Company's non-traded debt securities shown below are estimated using discounted cash flow methodology. The Company's current incremental borrowing rates for similar types of borrowing arrangements:

	December 31, 1994		1993	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Carrying amount	\$16,011	\$16,643	\$29,245	\$37,071
Fair value	\$6,633	\$6,243	\$10,084	\$17,446

NOTE 4 - OTHER COSTS AND EXPENSES

A summary of significant items included in other cost and expenses is as follows:

	1995	1994	1993
Direct cost of fixed assets	\$(10,433)	\$(7,500)	\$(5,445)
Cost of sales	9,376	12,660	4,155
Cost of operations	10,136	4,700	6,059
Cost of research & development	1,007	1,812	916
Cost of other operations	1,696	3,748	1,594
Total	\$11,782	\$15,420	\$7,219

The net expense of financing and investing activities includes the net interest gains or losses associated with the payment of fixed assets, the net gain or loss associated with the termination of certain long-term asset funded programs or combined with the retirement or acquisition of debt outstanding 9 1/8% percent debenture during 1995, 1994 and 1993, and 1995 the net tax expense associated with the Company's investment in cash and cash equivalents toward life insurance.

During the three year period December 31, 1995, provisions for environmental remediation reflect the increase and related costs of environmental-related matters at current former and third-party sites. (See Note 10)

NOTE 5 - DISPOSITION AND TERMINATION OF OPERATIONS

The Company is continually re-evaluating its operating facilities with regard to the long-term viability of each facility. Facilities which management and the board of directors determine to be unprofitable which are not expected to contribute materially to the Company's future plans are classified as held for sale.

The decision of the disposition to close or sell a facility is provided to the board and the expense included in other cost and expenses to reduce property plant and equipment to its estimated net realizable value. Similarly, provisions are made which reduce all other assets to their estimated net realizable value and provide for all qualified exit costs such as lease cancellation penalties, severance pay, and other exit costs and incremental post-closure expenses, and the estimated costs of employee termination benefits. If management has approved a termination plan and communicated such plan to the affected employees, the expenses associated with the provision for exit costs to be paid at termination benefits (as included in cost of goods sold. Adjustments to all previous accrued exit costs and expenses in prior years the provision for disposition actual costs and accruals balance in the

Carrying amount
Fair value
Total

NOTE 2 - SUBSEQUENT EVENTS

Acquisition - Effective January 8, 1996, the Company accepted for payment 10,825,000 shares of common stock (or approximately 96.3% of the total shares outstanding) of Pratt & Lambert United Inc. (Pratt & Lambert) pursuant to a cash tender offer consummated on December 9, 1995 pursuant to the Agreement and Plan of Merger dated as of November 4, 1995. (Merger Agreement) entered into between the Company (SWACO) Inc. (a wholly-owned subsidiary of the Company) and Pratt & Lambert. The terms of the Merger Agreement provided that the Company would acquire all of the outstanding shares of Pratt & Lambert for a cash price of \$35 per share, or a total purchase price of approximately \$400,000. Pursuant to the laws of the State of New York, the merger was effected on January 8, 1996 (effective date) without a vote of the shareholders. Effective on the merger date, SWACO Inc. was merged into Pratt & Lambert, making Pratt & Lambert a wholly-owned subsidiary of the Company. As a result of the merger, all shares not tendered were converted into

	December 31		
	1995	1994	1993
Carrying amount	\$1,275	\$1,802	\$2,309
Fair value	943	1,094	1,094
Total	9,711	9,446	25,009

Non-traded investments - It was not practicable to determine the fair value of the Company's non-traded investments because of the lack of quoted market prices and the inability to estimate fair values without incurring excessive costs. The carrying amounts included in other assets of \$31,491, \$18,829 and \$25,778 at December 31, 1995, 1994 and 1993, respectively represent the Company's best estimate of their fair values at the respective dates.

CLASSIFICATION - Certain amounts in the 1994 and 1993 financial statements have been reclassified to conform with the 1995 presentation.

Acquisition - Effective January 8, 1996, the Company accepted for payment 10,825,000 shares of common stock (or approximately 96.3% of the total shares outstanding) of Pratt & Lambert United Inc. (Pratt & Lambert) pursuant to a cash tender offer consummated on December 9, 1995 pursuant to the Agreement and Plan of Merger dated as of November 4, 1995. (Merger Agreement) entered into between the Company (SWACO) Inc. (a wholly-owned subsidiary of the Company) and Pratt & Lambert. The terms of the Merger Agreement provided that the Company would acquire all of the outstanding shares of Pratt & Lambert for a cash price of \$35 per share, or a total purchase price of approximately \$400,000. Pursuant to the laws of the State of New York, the merger was effected on January 8, 1996 (effective date) without a vote of the shareholders. Effective on the merger date, SWACO Inc. was merged into Pratt & Lambert, making Pratt & Lambert a wholly-owned subsidiary of the Company. As a result of the merger, all shares not tendered were converted into

the right to receive \$35 per share in cash without interest.

The acquisition was financed through the use of available cash, a \$50,000 floating term note and other available sources of financing. The floating term note is a compound interest rate with adjustment when it involves the exchange of fixed and floating rate notes at payment obligations without the exchange of the underlying principal amount. The notional amount upon which the interest is based is \$50,000. Any market value of the swap agreement related to the financing in future periods will be offset by a change to the interest payment obligation on the Company's floating term note.

The market will be accounted for under the purchase method of accounting and the result of operation of Pratt & Lambert will be included in the results of operations of the Company beginning in 1996. Pratt & Lambert is principally engaged in the production and sale of coating and adhesives to the dealer mass merchant, home center and specialty markets. In August 1994, Pratt & Lambert, Inc. merged with United Coatings, Inc. a supplier primarily to the mass merchant market. Pratt & Lambert's annual sales during 1995 are approximately \$479,000.

Debt Repayment - Subsequent to the merger, the Company repaid approximately \$95,000 of Pratt & Lambert's outstanding debt. The debt repayment was financed through the issuance of short-term commercial paper. In pending, on cash flows and market conditions in 1996 a portion of the short-term commercial paper may be refinanced into long-term debt.

NOTE 3 - INVENTORIES

Inventories are stated at the lower of cost or market. Cost is determined principally on the last-in, first-out (LIFO) method which provides a better matching of current costs and revenues. The following presents the effect on inventories, net income and net income per share had the Company used the first-in, first-out (FIFO) and average cost method of inventory valuation adjusted for income taxes at the statutory rate and assuming no other adjustments. This information is presented to enable the reader to make comparisons with companies using the FIFO method of inventory valuation.

	1995	1994	1993
% of total inventories on LIFO	97%	97%	97%
Effect of LIFO on avg cost inv. LIFO	\$102,725	\$80,199	\$80,007
Effect (in c.) on net income due to LIFO	(14,642)	(68)	(1,111)
Effect (in c.) on net income per share due to LIFO	(1)		(.02)

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table below included certain amounts for environmental-related matters. All such matters are now disclosed together in Note 10.

The provision made in 1995 represent the reduction in the realizable value for certain assets and exit costs associated with the closure of certain warehouses due to distribution consolidation within the Company. In 1994, provision was made for the closure of certain warehouses which were completed during 1995 by larger more efficient facilities. In 1993 provisions were made for the closure of certain warehouses, small manufacturing facilities, and selected unprofitable retail paint stores as part of production and distribution consolidation.

A summary of the financial data related to the closing or sale of the facilities is as follows:

	1995	1994	1993
Begin actual Jan 1	\$25,987	\$26,110	\$25,727
Prov. incl. in cost of goods sold	5,260	3,900	4,000
Prov. & adj. to prior period incl. in cost. & cap. other	1,007	1,812	916
Total provision	6,267	5,712	4,916
Actual cost incurred	(4,704)	(5,840)	(4,528)
Ending actual Dec 31	\$27,545	\$25,982	\$26,110
Net after tax prov	\$4,073	\$3,713	\$3,195
Net after tax prov per share	\$05	\$04	\$04

NOTE 6 - PENSION BENEFITS

Substantially all employees of the Company participate in a noncontributory defined benefit or defined contribution pension plan. Defined benefit plans covering salaried employees provide benefit that are based primarily on years of service and employee compensation. The defined benefit plan covering hourly employees generally provides benefit of stated amounts for each year of service. Multi-employer plans are primarily defined benefit plans which provide benefits of stated amount to union employees. The Company's funding policy for defined benefit pension plans is to fund at least the minimum annual contribution required by applicable regulations. Plans that cover primarily of cash equity and fixed-income securities. There were 969,400 shares of the Company's stock included in the assets at December 31, 1995, 1994 and 1993.

Due to decreased rate of high quality long term investment, the assumed discount rate was changed December 31, 1995 increasing the projected benefit obligation. The decreased rate during 1995 positively impacted the return on plan assets in the defined benefit pension to be. The effect of the change in the assumed discount rate and the increased earnings on plan assets resulted in a net decrease in the unrecognized net liability which amortization will be reduced beginning in 1996. Changes in the assumed discount rate and rate of return on plan assets at December 31, 1994 and 1993 previously increased the unrecognized net loss which amortization in 1995 and 1994 respectively reduced the net pension credit.

The net pension credit for defined benefit plans and its component was as follows:

	1995	1994	1993
Service cost	\$7,401	\$2,800	\$2,489
Interest cost	8,929	8,402	8,299

NOTE 8 - LONG-TERM DEBT

	1995	1994	1993
9 8/5% Debenture			

8 5/8% to 12% Mtg. Note secured by certain land & bldg. and other
 8 5/8% Promissory Note
 8 15/8% Promissory Note
 8 5/8% Promissory Note
 Floating Rate Broward County Industrial Revenue Bond
 6 25% Conv. Subord. Debt (Convertible into common stock at \$287.50 a share)
 Other Obligations

Maturity of long term debt are as follows for the next five years: \$755 in 1996, \$662 in 1997, \$467 in 1998, \$2,506 in 1999 and \$1,178 in 2000.

Interest expense on long-term debt amounted to \$2,387, \$7,768 and \$6,136 for 1995, 1994 and 1993 respectively. There were no interest charges capitalized during the periods presented.

The Company had the following other financing arrangements available at December 31, 1995 outlined below. There were no outstanding borrowings under these arrangements at the end of 1995.

Under a 364-day revolving credit agreement with a group of financial institutions effective August 31, 1995 the Company may borrow up to \$100,000. The agreement may be extended for additional 364-day periods under the terms thereof.

Under a five-year revolving credit agreement with the same group of financial institutions effective August 31, 1995 as amended November 30, 1995 the Company may borrow up to \$500,000. The agreement may be extended for additional one-year periods under the terms thereof. Amounts outstanding under the agreement may be converted into two-year term loans at any time.

Both revolving credit agreements contain net worth and certain non-financial covenants. There are no compensating balance arrangements.

The Company has a commercial paper program under which \$280,000 of private principal amount of unsecured short-term notes can be issued.

	1995	1994	1993
Actual return on plan assets	(53.92%)	7.41%	(25.31%)
Net amount & deficit	\$4,984	\$(29,999)	\$(1,170)
Net pension credit	\$(7,612)	\$(11,799)	\$(16,113)

Based on the latest actuarial information available the following table set forth the funded status and amount recognized in the Company's consolidated balance sheet for the defined benefit pension plans:

	1995	1994	1993
Actuarial present value of benefit obligations			
Vested benefit obligation	\$(116,335)	\$(103,860)	\$(105,530)
Accumulated benefit obligation	\$(118,583)	\$(105,480)	\$(107,530)
Projected benefit obligation	\$(178,335)	\$(111,650)	\$(117,970)
Plan assets at fair value	\$3,7216	\$77,841	\$293,076
Minimum asset liability of projected benefit obligation	194,881	166,191	175,106
Unrecognized net asset at Jan 1, 1986 net of amortization	(9,865)	(12,787)	(15,703)
Unrecognized prior service cost	393	441	1,201
Unrecognized net loss	48,165	72,117	\$3,934
Defined pension assets recognized in the consolidated balance sheet	\$233,574	\$225,962	\$214,583

	1995	1994	1993
Assumption used in determining actuarial present value of plan benefit obligation			
Discount rate	7.25%	8.25%	7.25%
Weighted average rate of return on plan assets	5.00%	5.00%	5.00%
Expected rate of return on plan assets	8.50%	8.50%	8.50%

NOTE 7 - BENEFITS OTHER THAN PENSIONS

In addition to providing pension benefits, the Company provides certain health care and life insurance benefits under company sponsored plans for active and retired employees. The health care plans are contributory and contain cost sharing features such as deductible and coinsurance. There were 14,823, 14,160 and 13,883 active employees entitled to receive benefits under the plan as of December 31, 1995, 1994 and 1993 respectively. The cost of these benefits for active employees is recognized as charge are incurred and amounted to \$37,194, \$32,694 and \$35,597 for 1995, 1994 and 1993 respectively. The Company has a fund to which it no longer intends to contribute that provided for payment of health care benefit of certain qualified employees. Contributions from the fund amounted to \$5,265 in 1995, \$4,667 in 1994 and \$5,719 in 1993.

Substantially all employees of the Company who were hired prior to January 1, 1993 and who are not members of a collective bargaining unit are eligible for certain health care and life insurance benefit upon retirement from active service with the Company. There were 4,008, 4,093 and 4,120 retired employees entitled to receive benefits as of December 31, 1995, 1994 and 1993 respectively. The plans are unfunded.

The assumed discount rate used in determining the actuarial present value of the accumulated postretirement benefit obligation was 7.75% in 1995 and 1993 and 8.25% in 1994. The assumed discount rate in 1995 and 1993 was lowered from 8.25 percent to 7.75 percent for 2003 and thereafter. The assumed health care cost and rate was lowered the percentage point at December 31, 1993 for each year thereafter. The effect on the accumulated postretirement benefit obligation of the health care cost trend rate has a significant effect on the amount reported. The rate used in the assumed health care cost trend rate by one percentage point in each year would increase the accumulated postretirement benefit obligation as of December 31, 1995 by \$11,667 and the appropriate service and interest components of net periodic postretirement benefit expense for 1995 by \$1,036.

Based on the latest actuarial information available the following table set forth the amount recognized in the Company's consolidated balance sheet for postretirement benefit obligations:

	1995	1994	1993
Actuarial present value of certain postretirement benefit obligations			
Retiree health care	\$(105,200)	\$(93,049)	\$(94,000)
Fully funded liability	(17,590)	(14,240)	(19,900)
Other unvested parameters	(9,120)	(41,811)	(40,680)
Total	\$(111,910)	\$(149,100)	\$(154,580)
Effect of change in the assumed postretirement benefit obligation			
Unrecognized prior service cost	(21,768)	(26,961)	(29,655)
Unrecognized net loss	12,267	(4,204)	9,110
Total unrecognized benefit liability	\$(83,911)	\$(180,264)	\$(175,125)
Amount recognized in consolidated balance sheet	\$(6,150)	\$(8,150)	\$(9,100)
Amount of unrecognized benefit liability	(175,766)	(177,114)	(166,025)
Total unrecognized postretirement benefit liability	\$(183,916)	\$(180,264)	\$(175,125)
the expense for postretirement benefit plans and its components			
Service cost	\$7,723	\$3,112	\$2,400
Interest cost	11,998	11,459	11,420
Net amount of unrecognized prior service cost	(2,693)	(2,693)	(2,693)
Net amount credited	61		
Net postretirement expense	\$12,028	\$11,939	\$11,127

ment benefit obligation was 7.75% in 1995 and 1993 and 8.25% in 1994. The assumed discount rate at December 31, 1995 caused by decreased interest rates of high quality long term investments increased the accumulated postretirement benefit obligation from the effect of which increased the unrecognized net loss. Amounts of the loss will begin in 1996. The assumed health care cost trend rate of increase in the postretirement benefit obligation (i.e. the health care cost trend rate) is 8.4 percent for 1996 and decreases annually to 5.5 percent for 2003 and thereafter. The assumed health care cost and rate was lowered the percentage point at December 31, 1993 for each year thereafter. The effect on the accumulated postretirement benefit obligation of the health care cost trend rate has a significant effect on the amount reported. The rate used in the assumed health care cost trend rate by one percentage point in each year would increase the accumulated postretirement benefit obligation as of December 31, 1995 by \$11,667 and the appropriate service and interest components of net periodic postretirement benefit expense for 1995 by \$1,036.

Based on the latest actuarial information available the following table set forth the amount recognized in the Company's consolidated balance sheet for postretirement benefit obligations:

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Total unrecognized postretirement benefit liability	\$(183,916)	\$(180,264)	\$(175,125)
the expense for postretirement benefit plans and its components			
Service cost	\$7,723	\$3,112	\$2,400
Interest cost	11,998	11,459	11,420
Net amount of unrecognized prior service cost	(2,693)	(2,693)	(2,693)
Net amount credited	61		
Net postretirement expense	\$12,028	\$11,939	\$11,127

Total unrecognized postretirement benefit liability

the expense for postretirement benefit plans and its components

Service cost

Interest cost

Net amount of unrecognized prior service cost

Net amount credited

Net postretirement expense

NOTE 9 - LEASES

The Company leases certain stores, warehouse, office space and equipment. Renewal options are available on the majority of leases and under certain conditions, option exist to purchase some properties. Rental expense for operating leases was \$95,536, \$93,637 and \$91,672 for 1995, 1994 and 1993 respectively. Certain long-term lease require the payment of contingent rental, based on sales in excess of specified minimums. Contingent rental included in rent expense were \$9,102 in 1995, \$8,985 in 1994 and \$9,234 in 1993. Rental expense also includes from real estate leasing activities and includes rental income for all years presented was not significant.

Following is a schedule, by year and in the aggregate, of future minimum lease payments under noncancelable

lease operating lease rental income or remaining term in excess of one year at December 31, 1995:

	1995	1996	1997	1998	1999	2000	Thereafter
Operating lease	\$72,026	\$61,071	\$47,171	\$35,271	\$23,771	\$16,157	\$301,000
Total minimum lease payments	\$72,026	\$61,071	\$47,171	\$35,271	\$23,771	\$16,157	\$301,000

NOTE 10 - OTHER LONG TERM LIABILITIES

Other long-term liabilities consist of the following:

	1995	1994	1993
Environmental cleanup	\$70,310	\$71,049	\$63,755
Other	39,896	48,011	58,211
Total	\$110,206	\$119,060	\$121,966

The Company has provided for the estimated cost associated with environmental remediation activities in one or more years in the future. Also, the Company's liability with other parties has been determined as a result of legal proceedings and is included in the consolidated balance sheet as a liability of third-party rates primarily Superfund. The general theoretical laws provide the potentially responsible party may be held jointly and severally liable for investigation and remediation costs. In the event of a suit, the Company provides for its estimated potential liability for investigation and remediation costs with respect to third-party suits.

Company annually provides for the estimated cost of environmental-related activities relating to its foreign and third-party sites when minimum can be reasonably estimated. These estimates are based on currently available fact and may change if the estimate of cost can only be identified within a range and no specific amount within that range can be determined more likely than any other amount within the range. The minimum of the range is Actual costs incurred may vary from these estimates due to the inherent uncertainty involved. The Company believes that any additional liability in excess of amounts provided which may result from the resolution of these matters will not have a material adverse effect on the financial condition, liquidity or cash flow of the Company.

As to the long term portion of environmental-related accounts shown above, current accruals for environmental liabilities associated with foreign and third party sites are included in other current liabilities on the consolidated balance sheet.

NOTE 11 - STOCK PURCHASE PLAN

As of December 31, 1995, 11,203 employees participated through regular payroll deduction in the Company Employee Stock Purchase and Saving Plan. The Company's contribution charged to income amounted to \$22,717 and \$20,658 for 1995, 1994 and 1993, respectively. Additionally, the Company made contributions on behalf of participating employees which resulted in salary reductions for income tax purposes amounting to \$12,775 in 1995, \$11,456 in 1994 and \$13,511 in 1993.

As of December 31, 1995, there were 13,075,095 shares of Company stock being held by this plan representing 13.3 percent of the total number of shares outstanding of Company stock credited to each participant's account under the plan are voted by the trustee established in trust from each individual member share for which no instructions are provided are voted by the trustee in the same proportion as for which instructions are received.

Options

Outstanding beginning of year
Granted
Exercised
Cancelled

Outstanding end of year
Exercisable
Reserved for future grants

NOTE 14 - INCOME TAXES

The Company accounts for income tax in accordance with Statement of Financial Accounting Standards No. 109 (SFAS No. 109) Accounting for Income Taxes. Under SFAS No. 109, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that are currently in effect.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax liabilities, assets as of December 31, 1995, 1994 and 1993 are as follows:

	1995	1994	1993
Deferred tax liabilities			
Depreciation	\$21,630	\$23,879	\$30,580
Deferred employee benefit items	26,494	26,494	24,109
Total deferred tax liabilities	\$47,990	\$50,373	\$54,689
Deferred tax assets			
Provisional and other items	42,425	36,076	30,074
Other items (each with a valuation allowance)	82,193	77,013	67,721
Total deferred tax assets	\$114,618	\$113,089	\$97,765
Significant component of the provisions for income taxes are as follows:			
	1995	1994	1993
Federal	\$97,936	\$100,137	\$100,121
State	2,470	1,175	1,483
State & local	20,754	22,364	19,406
Total Current	121,160	130,271	121,010

Business Segments

Business segments are defined as a portion of the Company's operations that is identifiable and for which separate financial information is available.

NOTE 12 - CAPITAL STOCK

	Shares in Treasury	Shares Outstanding
Balance at Jan 1 1997	10,993,257	88,380,906
Stock issued upon:		
Exercise of stock options	73,224	462,736
Conversion of 6.25% Convertible Subordinated Debentures		8,697
Restricted stock granted		15,500
New issue stock acquired	421,500	(421,500)
Balance at December 31 1997	11,487,981	88,506,337
Stock issued upon:		
Exercise of stock options	42,292	319,124
Conversion of 6.25% Convertible Subordinated Debentures		70,169
Cancellation of restricted stock grants		(6,000)
New issue stock acquired	4,013,800	(4,013,800)
Balance at December 31 1998	15,544,073	84,825,830
Stock issued upon:		
Exercise of stock options	85,613	521,043
Conversion of 6.25% Convertible Subordinated Debentures		61,668
Restricted stock grants		72,000
New issue stock acquired	411,300	(411,300)
Issued for acquisition	(385,572)	385,572
Balance at December 31 1999	15,655,414	85,453,813

An aggregate of 4,889,865, 5,663,772 and 4,087,363 shares of stock at December 31, 1995, 1994 and 1993, respectively, were reserved for future restricted stock grants. The exercise and future grant of stock options and prior to their expiration in February 1995, the conversion of convertible subordinated debentures. At December 31, 1995, there were 300,000,000 shares of common stock and 30,000,000 shares of serial preferred stock authorized for issuance.

The Company has a shareholders' rights plan which, in part, reserves 1,000,000 shares of authorized serial preferred stock as cumulative redeemable serial preferred stock which may be issued if the Company becomes the target of coercive and unfair takeover tactics.

	1995		1994		1993	
	Shares	Price Range	Shares	Price Range	Shares	Price Range
Outstanding beginning of year	2,606,459	\$10.94-\$35.66	2,671,545	\$7.77-\$35.88	2,944,255	\$7.72-\$28.88
Granted	504,200	32.69-36.56	33,400	37.19-35.06	327,000	30.75-35.88
Exercised	(606,656)	10.94-33.25	(561,316)	17.21-31.63	(535,960)	9.22-28.38
Cancelled	(13,869)	25.13-35.31	(78,070)	17.56-33.25	(63,750)	10.94-30.75
Outstanding end of year	2,488,134	\$10.94-\$36.56	2,606,459	\$10.94-\$35.88	2,671,545	\$7.77-\$35.88
Exercisable	1,671,194	\$36.56	1,962,553	\$35.88	1,579,103	
Reserved for future grants	2,401,731		2,935,630		1,331,964	

Deferred Federal (3,062) (18,465) (18,467)
Foreign (254) (2,864) (3,406)
State & local
Total Deferred (3,316) (18,329) (21,873)
Total income tax expense \$117,844 \$111,942 \$99,137
A reconciliation of the statutory federal income tax rate and the effective tax rates follows:

	1995	1994	1993
Statutory tax rate	35.0%	34.0%	34.0%
Effect of:			
State and local tax	4.7	4.2	3.9
Investment credits	(2.6)	(2.0)	(1.1)
Other net	0.4	0.3	(0.3)
Effective tax rate	37.0	37.5%	37.5%

If it the Company's intention to invest funds in the Company, of foreign subsidiaries, a company's deferred income taxes have been provided thereon. At December 31, 1995, such undistributed earnings amounted to \$4,500. Included in the Company's deferred tax assets are valuation reserves of \$17,784, \$14,021 and \$9,758 at December 31, 1995, 1994 and 1993, respectively, resulting from the uncertainty as to future recognition of certain foreign net operating loss and other foreign assets.

NOTE 15 - SUMMARY OF QUARTERLY RESULTS OF OPERATIONS (Unaudited)

Quarter	Net Sales	Gross Profit	Net Income	Net Income Per Share
1st	\$716,796	\$292,559	\$18,733	\$0.22
2nd	904,179	381,941	14,207	0.18
3rd	911,487	390,498	14,948	0.19
4th	740,907	325,732	33,766	0.42

Year-end adjustment during the fourth quarter of \$1,565 increased net income by \$1.01 / (\$0.1 per share).

BUSINESS SEGMENTS

	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986
Net Sales	\$2,131	\$1,986	\$1,830	\$1,682	\$1,495	\$1,434	\$1,346	\$1,250	\$1,158	\$1,009
Operating Profit	1,179	1,100	1,105	1,052	1,032	819	764	687	635	544
Other	14	14	14	14	14	13	13	13	8	5
Total Current	\$3,274	\$3,100	\$2,949	\$2,748	\$2,541	\$2,277	\$2,123	\$1,950	\$1,601	\$1,558
Net Income	\$158	\$141	\$117	\$159	\$82	\$66	\$91	\$70	\$82	\$1570
Operating Profit	207	201	194	131	140	179	170	118	104	1199
Other	13	8	5	16	6	4	(3)	6	5	

NOTE 13 - STOCK PLAN

The Company's stock plan permits the granting of stock options, stock appreciation rights and restricted stock to eligible employees. The 1994 Stock Plan was created in the 1984 Stock Plan which expired on February 15, 1994. Although no further grants may be made under the 1984 Stock Plan, all rights granted under the plan remain in the 1994 Stock Plan authorized an additional 2,000,000 shares to be added to authorized shares of the 1984 Stock Plan which were not authorized as of the 1984 Stock Plan expiration date. Non-qualified and incentive stock options have been granted to certain officers and key employees under the plan at prices not less than fair market value of the shares as defined by the plan at the date of grant. The options generally become exercisable to the extent of one third of the option's share value and full year of employment following the date of grant and generally expire ten years after the date of grant.

Restricted stock grants with an outstanding balance of 176,000 shares at December 31, 1995, were awarded to certain officers and key employees which require four years of continuous employment from the date of grant before receiving the shares without restriction. The number of shares to be received without restriction is based on the Company's performance relative to a peer group of companies. There were 104,000 and 121,000 shares issued without restriction pursuant to the plan during 1995 and 1993, respectively. Unrestricted shares compensation expense with respect to the restricted stock amounted to \$4,024 at December 31, 1995, \$1,617 at December 31, 1994 and \$3,760 at December 31, 1993 and is being amortized over the four year vesting period. Deferred compensation expense amounted to \$1,563, \$1,416 and \$3,771 in 1995, 1994 and 1993, respectively. No stock appreciation rights have been granted.

	1995		1994		1993	
	Shares	Price Range	Shares	Price Range	Shares	Price Range
Outstanding beginning of year	2,606,459	\$10.94-\$35.66	2,671,545	\$7.77-\$35.88	2,944,255	\$7.72-\$28.88
Granted	504,200	32.69-36.56	33,400	37.19-35.06	327,000	30.75-35.88
Exercised	(606,656)	10.94-33.25	(561,316)	17.21-31.63	(535,960)	9.22-28.38
Cancelled	(13,869)	25.13-35.31	(78,070)	17.56-33.25	(63,750)	10.94-30.75
Outstanding end of year	2,488,134	\$10.94-\$36.56	2,606,459	\$10.94-\$35.88	2,671,545	\$7.77-\$35.88
Exercisable	1,671,194	\$36.56	1,962,553	\$35.88	1,579,103	
Reserved for future grants	2,401,731		2,935,630		1,331,964	

Cost of goods sold decreased by a net of \$8,268 (\$5.374 per share) as a result of physical inventory adjustments of \$13,528 (\$8.193 after-tax, \$10 per share) which were partially offset by certain provisions for employee stock and termination of operations of \$5,260 (\$3,419 after tax, \$0.4 per share). Administrative expenses were increased by \$60 (\$39 after-tax, no per share effect) due to other year-end adjustments. Other cost of goods sold increased \$6,643 (\$4,318 after tax, \$0.6 per share) due to the provision for environmental remediation matters, a certain amount, former and third party matters of \$7,136 (\$4,638 after tax, \$0.5 per share) which were partially offset by reductions to prior accruals for the disposition and termination of operations of \$493 (\$320 after-tax, no per share effect).

Quarter	Net Sales	Gross Profit	Net Income	Net Income Per Share
1st	\$619,157	\$261,890	\$15,508	\$1.17
2nd	8,034	378,775	69,155	80
3rd	\$70,743	377,529	11,229	83
4th	103,638	309,204	30,679	36

Net income in the fourth quarter was reduced \$809 (\$0.06 per share) due to certain year-end adjustments. A net income adjustment to total goods sold resulted from physical inventory adjustments of \$19,017 (\$12,361 after-tax, \$1.1 per share) which were partially offset by certain provisions for the disposition and termination of operations of \$1,563 (\$884 after-tax, \$0.1 per share). A net income adjustment expense due to other year-end adjustments of \$2,150 (\$1,398 after tax, \$0.1 per share) and certain and expense due to the termination of operations for the disposition and termination of operations of \$1,412 (\$1,178 after tax, \$0.09 per share) and expense for environmental remediation at certain amount of \$703 (\$1,755 after-tax, \$0.2 per share) more than offset the gain in cost of goods sold.

	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986
Net Sales	\$2,131	\$1,986	\$1,830	\$1,682	\$1,495	\$1,434	\$1,346	\$1,250	\$1,158	\$1,009
Operating Profit	1,179	1,100	1,105	1,052	1,032	819	764	687	635	544
Other	14	14	14	14	14	13	13	13	8	5
Total Current	\$3,274	\$3,100	\$2,949	\$2,748	\$2,541	\$2,277	\$2,123	\$1,950	\$1,601	\$1,558
Net Income	\$158	\$141	\$117	\$159	\$82	\$66	\$91	\$70	\$82	\$1570
Operating Profit	207	201	194	131	140	179	170	118	104	1199
Other	13	8	5	16	6	4	(3)	6	5	

	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986
Corporate expense, net	(55)	(51)	(52)	(45)	(31)	(27)	(33)	(31)	(30)	(29)
Income from operations before income taxes and accretion charges	\$318	\$299	\$264	\$226	\$199	\$187	\$170	\$163	\$161	\$140
Identifiable Intangible Assets										
Paint Stores	\$550	\$517	\$494	\$464	\$449	\$418	\$393	\$376	\$367	\$363
Coatings	846	757	730	719	713	667	59	47	401	351
Other	45	44	51	58	55	56	49	47	43	46
Corporate	700	674	640	489	395	365	329	329	399	257
Discontinued operations										
Consolidated total	\$2,141	\$1,967	\$1,915	\$1,730	\$1,612	\$1,504	\$1,375	\$1,259	\$1,210	\$1,207
Capital Expenditures										
Paint Stores	\$29	\$26	\$29	\$23	\$18	\$15	\$27	\$15	\$15	\$12
Coatings	68	46	28	40	21	22	26	39	29	21
Other	4	1	1	1	9	20	10	8	6	13
Corporate	7	6	5	5	3	7	4	10	5	4
Discontinued operations										
Consolidated total	\$108	\$79	\$63	\$69	\$51	\$64	\$67	\$72	\$57	\$64
Depreciation										
Paint Stores	\$24	\$23	\$21	\$19	\$16	\$14	\$13	\$11	\$10	\$9
Coatings	31	30	27	26	22	21	21	16	16	12
Other	7	3	3	2	6	6	5	4	3	2
Corporate	6	5	4	4	4	3	3	4	3	4
Discontinued operations										
Consolidated total	\$63	\$61	\$55	\$51	\$48	\$43	\$47	\$37	\$32	\$27
Operating Margin										
Paint Stores	7.4%	7.1%	6.4%	7.5%	5.5%	6.0%	6.6%	5.6%	7.1%	7.6%
Coatings	10.5%	11.1%	11.0%	10.5%	8.9%	9.8%	10.0%	10.8%	10.4%	11.3%
Other	39.1%	26.2%	15.9%	20.7%	26.7%	13.8%	(1.1%)	25.5%	33.9%	22.4%
Corporate										
Consolidated total	9.1%	9.1%	8.7%	8.1%	7.4%	7.9%	6.1%	8.2%	8.8%	8.9%

(1) Beginning January 1, 1997, additional expense is associated with post-retirement benefit reduced operating profits. For comparative purposes, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 2680, 2681, 2682, 2683, 2684, 2685, 2686, 2687, 2688, 2689, 2690, 2691, 2692, 2693, 2694, 2695, 2696, 2697, 2698, 2699, 2700, 2701, 2702, 2703, 2704, 2705, 2706, 2707, 2708, 2709, 2710, 2711, 2712, 2713, 2714, 2715, 2716, 2717, 2718, 2719, 2720, 2721, 2722, 2723, 2724, 2725, 2726, 2727, 2728, 2729, 2730, 2731, 2732, 2733, 2734, 2735, 2736, 2737, 2738, 2739, 2740, 2741, 2742, 2743, 2744, 2745, 2746, 2747, 2748, 2749, 2750, 2751, 2752, 2753, 2754, 2755, 2756, 2757, 2758, 2759, 2760, 2761, 2762, 2763, 2764, 2765, 2766, 2767, 2768, 2769, 2770, 2771, 2772, 2773, 2774, 2775, 2776, 2777, 2778, 2779, 2780, 2781, 2782, 2783, 2784, 2785, 2786, 2787, 2788, 2789, 2790, 2791, 2792, 2793, 2794, 2795, 2796, 2797, 2798, 2799, 2800, 2801, 2802, 2803, 2804, 2805, 2806, 2807, 2808, 2809, 2810, 2811, 2812, 2813, 2814, 2815, 2816, 2817, 2818, 2819, 2820, 2821, 2822, 2823, 2824, 2825, 2826, 2827, 2828, 2829, 2830, 2831, 2832, 2833, 2834, 2835, 2836, 2837, 2838, 2839, 2840, 2841, 2842, 2843, 2844, 2845, 2846, 2847, 2848, 2849, 2850, 2851, 2852, 2853, 2854, 2855, 2856, 2857, 2858, 2859, 2860, 2861, 2862, 2863, 2864, 2865, 2866, 2867, 2868, 2869, 2870, 2871, 2872, 2873, 2874, 2875, 2876, 2877, 2878, 2879, 2880, 2881, 2882, 2883, 2884, 2885, 2886, 2887, 2888, 2889, 2890, 2891, 2892, 2893, 2894, 2895, 2896, 2897, 2898, 2899, 2900, 2901, 2902, 2903, 2904, 2905, 2906, 2907, 2908, 2909, 2910, 2911, 2912, 2913, 2914, 2915, 2916, 2917, 2918, 2919, 2920, 2921, 2922, 2923, 2924, 2925, 2926, 2927, 2928, 2929, 2930, 2931, 2932, 2933, 2934, 2935, 2936, 2937, 2938, 2939, 2940, 2941, 2942, 2943, 2944, 2945, 2946, 2947, 2948, 2949, 2950, 2951, 2952, 2953, 2954, 2955, 2956, 2957, 2958, 2959, 2960, 2961, 2962, 2963, 2964, 2965, 2966, 2967, 2968, 2969, 2970, 2971, 2972, 2973, 2974, 2975, 2976, 2977, 2978, 2979, 2980, 2981, 2982, 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benefit obligations. The 1995 increase represents the recognition of the current year net pension liability whose components are further described in Note 10 on page 40 of this report. Due to a decrease in interest rates on high quality long-term investments, the amount of current debt used in computing the accumulated value of the benefit obligations of these plans was lowered to 7.2% prior to December 31, 1995. The unrecognized net loss represents the cumulative unamortized portion of items deferred in previous periods due to changes in assumptions or actual results which differed from estimates in those years. These items are amortized as a component of the net pension liability over the average remaining service lives of the employees in the plan beginning in the year following the deferral. The net long-term plan assets of the Company decreased from \$1.0 billion during 1995 due to the net cash outflow on equity investments. These equity investments were primarily due to the sale of shares of common stock owned by the Company and the effect of the reclassification of debt to equity. The effect of the reclassification combined with an increase in asset value will increase the net pension credit during the year.

The increase in long-term debt at December 31, 1995 was primarily due to debt incurred on several 1995 transactions. Debt may be added to the Company balance sheet if it exists on an acquired company and cannot be retired or if debt instruments are issued to defray the cost of the purchase price provided that the Company did not incur any short-term borrowing during 1995 on such borrowings to finance current operations. As more fully explained in Note 8 on page 33 of this report, the Company acquired additional financing flexibility during 1995. In addition, in early 1996 the Company increased the value of its commercial paper program to \$600,000 and increased the value of its shelf registered debt securities to \$450,000. Certain short-term borrowings were incurred in January 1996 for the acquisition of Pratt & Lambert share as explained below and in Note 2 on page 28 of this report. It is expected that the Company will remain in a borrowing position throughout 1996.

The long-term liability for postretirement benefit decreased from the excess of the net postretirement asset expense as determined in accordance with Statement of Financial Accounting Standards (SFAS) No. 8 over the costs for benefit claims incurred. The current portion of the accrued postretirement benefit liability amounting to \$8.2 million at December 31, 1995 is included in other current. Similar to the change in assumptions of the Company's defined benefit pension plans, the standard discount rate used to calculate the present value of the accumulated postretirement benefit obligation was lowered to 7.5% prior to December 31, 1995, causing a cumulative unamortized loss for the postretirement plan. The effect of this change on the net postretirement benefit expense for 1996 will be negligible as the cumulative unamortized loss is below the threshold for required amortization. The amendments made January 1, 1993 significantly reduced the accumulated postretirement benefit obligation at that date. The unamortized prior service credit, the reduction of the annual postretirement benefit expense for the amendments began in 1993 and will continue through 2004. See Note 7 on page 31 of this report for additional information concerning the Company's postretirement benefit obligation.

Other long-term liabilities include accruals for environmental remediation liabilities and other non-current items. The decrease in these liabilities at December 31, 1995 is due to the fulfillment of certain obligations during 1995 and the reclassification of certain amounts to current liabilities. See Note 10 on page 34 of this report for additional information concerning the Company's long-term liabilities.

The Company and certain other companies were named defendants in a number of lawsuits arising from manufacture and sale of lead pigment and lead paint. It is possible that additional lawsuits may be filed against the Company in the future with similar allegations. The various existing lawsuits seek damages for personal injuries and property damages, along with costs incurred to abate the lead related paint from buildings. The Company believes that such lawsuits are without merit and is vigorously defending them. The Company does not believe that any potential liability ultimately determined to be attributable to the Company arising out of such lawsuits will have a material adverse effect on the Company's business or financial condition.

The operations of the Company like those of other companies in our industry, are subject to various federal, state and local environmental laws and regulations. These laws and regulations not only govern our current operations and products but also impose liability on the Company for past operations which were conducted under the laws and regulations existing at that date. The Company expects the environmental laws and regulations to become increasingly stringent requirements upon the Company and our industry in the future. The Company believes it conducts its operations in compliance with applicable environmental laws and regulations and has implemented various programs designed to protect the environment and ensure continued compliance.

The Company is involved with environmental remediation and remediation activities at some of its current and former sites. The Company together with other parties has also been designated a potentially responsible party under federal and state environmental protection law for the remediation of hazardous waste at a

number of third party sites primarily Superfund sites. The Company may be similarly designated with respect to additional third party sites in the future.

The Company accrues for certain environmental remediation activities relating to its past operations and third party sites including Superfund sites, for which commitments or clean up plans have been developed or for which cost or minimum costs can be reasonably estimated. The Company continues to assess its potential liability for remediation activities with respect to its past operations and third party sites. Any potential liability ultimately determined to be attributable to the Company however is subject to a number of uncertainties including among others the number of parties involved with respect to any given site, the volume of remediation which may be attributed to the Company relative to that attributable to other parties, the nature and extent of the wastes involved, and the nature and extent of remediation. The Company's environmental remediation activities may not be fully funded or become available upon which more extensive costs can be reasonably estimated. Actual cost incurred may vary from the estimate due to the inherent uncertainties involved.

The Company is a defendant in a lawsuit filed by the United States Department of Justice, on behalf of the United States Environmental Protection Agency, regarding the Company's operations at its South Chicago facility. The lawsuit, which alleges violations under various environmental statutes, seeks an undeterminable amount of civil penalties and further demands that certain unspecified corrective action be taken to clean up the site. The Company is also a defendant in a lawsuit brought by PMC Inc. regarding one of the Company's former Chemical Division manufacturing facilities. This facility is located adjacent to the Company's South Chicago facility as discussed above and was sold to PMC Inc. in 1985. PMC Inc. is seeking an undetermined amount for environmental remediation costs and other damages based upon contractual and tort theories and under various environmental law. The Company is vigorously defending both of the lawsuits.

With respect to the Company's southeast Chicago facility and its former manufacturing facility adjacent thereto both referenced above, the Company has evaluated its potential liability and based upon its preliminary evaluation has accrued an appropriate amount. However, due to the uncertainties surrounding the facilities, the Company's ultimate liability may result in costs that are significantly higher than initially accrued. In such event, the recording of the liability may result in a significant impact on net income for the annual or interim period during which the additional costs are accrued.

In the opinion of the Company's management, any potential liability ultimately attributed to the Company for its environmental remediation matters will not have a material adverse effect on the Company's financial condition, liquidity, cash flow or except as set forth in the preceding paragraph in net income. See Note 10 on page 34 of this report for discussion of the environmental remediation accruals included in the Company consolidated financial statements.

Capital expenditures and expenses for ongoing environmental compliance are accrued and included in the net operating expense of continuing business. The Company's capital expenditures and other expenses for ongoing environmental compliance measures were not material to the Company's financial condition or net income during 1995 and the Company does not expect such capital expenditures and other expenses to be material to the Company's financial condition or net income in the future.

Shareholders' equity increased \$158.8 million during 1995 due primarily to current year net income, offset partially by dividends paid to shareholders. The Company acquired 411,300 shares of its common stock in addition to shares received in exchange for stock issued in accordance with the Company's stock plan. The net stock amounting to 385,572 shares was used to acquire the assets of White Lightning Products Corp. We acquired our own stock for general corporate purposes and depending upon our cash position and market conditions we may acquire additional shares of stock in the future. See the Statement of Consolidated Shareholders' Equity on page 29 of this report and Note 12 on page 35 of this report for equity and capital stock detail.

In March 1995, the Financial Accounting Standards Board issued SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of, which requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the net carrying amount. Accounting for asset to be disposed of is also covered by SFAS No. 121. The Company will adopt SFAS No. 121 during 1996 and based on current circumstances, it is not believed that the effect of adoption will be material.

At a meeting held February 21, 1996, the Board of Directors increased the quarterly dividend to \$ 175 per share. This represents the seventeenth consecutive increase and a compounded rate of increase of 28.9 percent since the dividend was reinstated in the fourth quarter of 1979. The 1995 annual dividend of \$ 64 per share marked the sixteenth consecutive year that the dividend approximated our payout ratio target of 30 percent of the prior year's earnings.

The 1996 acquisition of Pratt & Lambert share, for an approximate purchase price of \$400 million will impact the short term borrowing position of the Company.

The Company financed the merger through the use of available cash, a \$30 million floating term note and other available sources of financing. The floating term note is secured by a two-year interest rate swap contract. The swap agreement involves the exchange of fixed and floating rate interest payment obligations based upon a \$50 million notional amount. Any market value of the swap agreement related to the fluctuation in interest rates will be offset by a change to the market value of the obligation on the Company's floating term note. Preliminary estimates of the fair market value of the net assets to be recorded pursuant to the merger will approximate \$23 million, with approximately \$33 / 6 million recorded as goodwill. These estimates are tentative pending completion of final appraisal. The net will ultimately be recorded for the purchase will be amortized over its estimated life. Immediately after the merger, the Company repaid approximately \$95 million of debt to Lambert via tendering debt via issuance of debt to commercial banks. See Note 2 on page 28 of this report for further details of the merger, subsequent debt repayment and related interest rate swap agreement.

Results of Operations 1995 VS 1994

Consolidated sales increased 5.6 percent to \$3.7 billion over 1994, primarily to volume and price increases at the Paint Store Segment. Sales in the Paint Store Segment increased 1/3 percent over 1994. All divisions achieved sales improvement, particularly in paint and paint related product lines. Comparable store sales increased 6.5 percent over 1994. Sales to wholesale customers which had professional painters contractor and architectural and commercial maintenance accounts contributed to the majority of the sales increase. Volume sales to retail customers remained sluggish. Selling price increases complemented to partially offset increased raw material costs also contributed to the sales improvement.

Net income in the Coatings Segment increased 2.7 percent over 1994. The Consumer Brands Division was the primary contributor to this sales increase due to increased sales, particularly in its Dutch Boy® brand. In the Automotive Division sales increases in the automotive branch were partially offset by declines in two of its major product lines which resulted from soft automotive aftermarket sales throughout 1995. Reduced consumer demand in the custom automotive and industrial markets led to that sales as compared to 1994 in the Diversified Brand Division. Revenue for the real estate operations in the Other Segment increased slightly to \$1.5 million.

Consolidated gross profit as a percent of sales was slightly lower than 1994, decreasing to 42.1 percent from 42.8 percent. Margins increased slightly in the Paint Store Segment due to gallon sales improvement combined with successful implementation of applicable selling price increases during the year to partially offset increased costs for raw materials. The Coatings Segment's SG&A costs as a percent of sales were higher than 1994 primarily due to increased marketing and sales costs for new customers in the Consumer Brands Division and to the marginally higher SG&A costs.

Consolidated selling general and administrative expenses as a percent of sales declined to 32.8 percent from 33.9 percent in 1994. The Paint Store Segment's SG&A spending throughout 1995 fell to a favorable SG&A cost as a percent of sales. The Coatings Segment's SG&A expenses as a percent of sales were higher than 1994 primarily due to increased marketing and sales costs for new customers in the Consumer Brands Division and to the marginally higher SG&A costs.

Consolidated operating profits increased 4.0 percent in 1995 in the Paint Store Segment, operating profits increased 1.2 percent over 1994 due to higher volume and an improved SG&A spending. Operating profits in the Coatings Segment improved 0.6 percent for the year. Lower raw material costs during 1995 combined with higher production volume increases in many applications in this segment's results. The operating profit of the Other Segment increased in 1995 due primarily to reduced interest expense on average long-term debt allocable to its real estate operations combined with gains on sales of real estate properties. Corporate expenses increased in 1995 primarily to various environmental and other operating expenses which are not directly allocated to individual segments. Refer to the notes to this report for additional financial statement information.

After tax expense decreased 21.3 percent for the year due to a reduced average long-term debt resulting from normal maturities and 1994 debt purchases. As a result, interest coverage increased to 126.8 times from 93.8 times in 1994. Our fixed charge coverage which is calculated on a long-term debt and lease expense improved to 1.2 times from 1.1 times in 1994.

After tax net investment income increased 40.1 percent in 1995 due primarily to increased investment yields. Other income and expenses decreased in 1995 primarily due to increased dividend and a net reduction of other income as more fully described in Note 4 on page 29 of this report. The effective income tax rate decreased to 14.9% as shown in Note 14 on page 36 of this report, primarily due to increased tax exempt investment vehicle.

Net income increased 7.5 percent in 1995 to \$200.7 million from \$186.6 million in 1994. Net income per share increased 4.8 percent to \$2.34 from \$2.15.

We believe that the acquisition of Pratt & Lambert has long term strategic benefit for the Company and will be a mutually gainful investment for the year 1995.

Results of Operations 1994 VS 1993

Consolidated net sales increased in 1994 by \$150.8 million to \$3.1 billion, an increase of 5.1 percent. The growth in sales was driven primarily by gains in the Paint Stores Segment.

The Paint Stores Segment realized an 8.9 percent sales increase despite continued sluggish retail sales. All operating divisions achieved sales results better than the results of 1993. Comparable store sales increased 7.8 percent. Strong emphasis was placed on store level pricing discipline however continued competitive pressures allowed the implementation of only selective price increases during the year. Most of the Segment's sales increase resulted from increased paint gallons sold to whole and cutomer complemented by whole sale sales increase in the contractor product lines.

Sales of the Coatings Segment were essentially flat for 1994. Reduced demand by certain large customer, a they adjusted their inventory downward affected many of the division within the Segment. The Consumer Brand Division also was impacted by the loss of a portion of the business of a home center account. New customers added to our distribution base during 1994 partially offset the effect of the above declines. Improved 1994 sales for the Automotive Division resulted primarily from sales growth in its branch distribution network and strong focus on original equipment manufacturers. Kylon® branded product provided the

primary impetus for the improved sales result of the Diversified Brand Division.

Consolidated gross profit dollars were 6.0 percent higher than 1993 while gross profit as a percent of sales increased to 47.8 percent from 42.5 percent in 1993. The Paint Stores Segment's 1994 gross margin remained constant in comparison to 1993. Despite continued labor mix shift to lower margin items in the Diversified Brand and Automotive Divisions manufacturing efficiencies, stable raw material costs for most of the year cost containment and a favorable sales mix in the Segment's other divisions led to an increase in the Coatings Segment's 1994 gross margin.

Consolidated selling, general and administrative expense decreased a percent of sales to 32.9 percent from 33.4 percent in 1993. The Paint Stores Segment's SG&A cost as a percent of sales were below 1993 due primarily to containment of selling and administrative expenses combined with the sales gain achieved. The Coatings Segment's SG&A expenditures were approximately the same in 1994 as in 1993. Due to this Segment's flat sales, a slight increase in SG&A cost as a percent of sales resulted.

As a result of the above consolidated operating profit increased 14.0 percent over 1993. The Paint Stores Segment's operating profit improved 20.3 percent due primarily to volume gains and the containment of SG&A cost. Despite sluggish sales the Coatings Segment's operating profit increased 3.4 percent due primarily to the favorable edge in gross margin. The operating profit of the Other Segment increased in

comparison to 1993 due primarily to reduced interest expense related to the debt allocable to the real estate operation. The sale of various debt purchases. Components of which were not directly associated with the allocable to the real estate operation, were approximately the same in 1993.

Total interest expense decreased 50.1 percent from 1993 due to the use of long term debt and normal maturities. Cash payments for interest coverage improved to 43.4 times in 1994 compared to 42.0 times in 1993. Our fixed charge coverage which is calculated using interest on debt excluding improved to 4.1 times in 1994 versus 3.7 times in 1993.

Interest rate coverage has improved 17.1 percent to \$8.2 million primarily as a result of increased availability of funds offset by a reduced cash and short-term investments. The increase in funds primarily from the purchase of common stock for treasury purposes during the year. Other cash and capital increases in 1994 primarily due to increased cash flows related to financing and a decrease in cash which we further explained in Note 4 on page 29 of the report. As shown in Note 14 on page 36 of the report, the effective income tax rate returned to the same in 1994 as in 1993.

Net income increased 12.9 percent to \$186.6 million and return on assets increased 16.2 percent to 27.15. Approximately \$0.05 of the increase in net income per share for 1993 was due to the purchase of common stock for treasury purposes at various times throughout 1993.

FINANCIAL & OPERATING DATA

1995	1994	1993	1992	1991	1990	1989
Earnings (share common)						
Primary						
Continuing ops. incl. effect of acq. chg.	\$2.34	\$2.15	\$1.85	\$1.63	\$1.45	\$1.41
Discontinued ops.						
Cumul. effect of acq. chg. for tax. eff.				\$0.20		
Cumul. effect of acq. chg. for presentation						
Net income primary & fully diluted	\$2.34	\$2.15	\$1.85	\$0.71	\$1.41	\$1.26
Dividend per share common	\$0.61	\$0.56	\$0.50	\$0.41	\$0.38	\$0.35
Price range common	4 1/2 - 32	35 1/2 - 29 1/2	37 1/2 - 29 1/2	32 1/2 - 25 1/2	21 1/2 - 17 1/2	21 1/2 - 15 1/2
Market statistics						
B. for income tax	126.19	93.19	41.97	27.35	17.13	18.18
After income tax	80.25	59.00	26.60	17.87	1.40	12.75
Book value per share com.	\$14.18	\$12.47	\$11.67	\$10.75	\$7.50	\$8.77
Price to earnings ratio						
1995	123 1/2 - 106 1/2	123 1/2 - 104 1/2	131 1/2 - 94 1/2	114 1/2 - 104 1/2	106 - 97 1/2	97 1/2 - 91 1/2
1994	106 1/2 - 81 1/2	106 1/2 - 81 1/2	106 1/2 - 81 1/2	106 1/2 - 81 1/2	106 1/2 - 81 1/2	106 1/2 - 81 1/2
Dividend yield						
1995	5.0%	4.9%	4.5%	4.1%	3.9%	3.7%
1994	5.0%	4.9%	4.5%	4.1%	3.9%	3.7%
Debt to capitalization						
1995	12.3%	10.4%	11.1%	11.4%	10.6%	9.7%
1994	12.3%	10.4%	11.1%	11.4%	10.6%	9.7%
Current assets to current liabilities						
1995	200.00	199.00	200.00	200.00	200.00	200.00
1994	200.00	199.00	200.00	200.00	200.00	200.00
Capitalization						
1995	1.94	1.91	3.54	6.22	6.90	13.80
1994	1.94	1.91	3.54	6.22	6.90	13.80
Sales						
1995	98.09	98.09	96.46	93.78	13.50	16.39
1994	98.09	98.09	96.46	93.78	13.50	16.39
Net income						
1995	100.00	100.00	100.00	100.00	100.00	100.00
1994	100.00	100.00	100.00	100.00	100.00	100.00
Income tax						
1995	3.60	3.61	3.36	2.96	2.74	2.85
1994	3.60	3.61	3.36	2.96	2.74	2.85
Net income						
1995	6.13	6.02	5.60	2.79	3.65	5.41
1994	6.13	6.02	5.60	2.79	3.65	5.41

LONG-TERM DEBT

1. Shaw-Williams Co. OUSTS Dec 31 1995 \$24,018,000 as follows, including amounts listed below along with their adjusted (outstanding) amount for current periods (in thou. and of dollars):

Due Date	1995
9/8/95 Debenture	\$15,900
8 1/2% to 12 1/2% Mortgage Notes	2,637
Secured by certain land and building and other	2005
8 5/8% Promissory Note	2004
8 1/2% Promissory Note	2000
8% Promissory Note	3,350
Other Obligations	158
	\$24,018

Co. had the following other financing arrangements available at Dec 31 1995 outlined below. There were no outstanding borrowings under the arrangements at the end of 1995.

1. Lines of Credit Under a 364-day revolving credit agreement with a group of three banks effective Aug 31 1995 Co may borrow up to \$100,000,000. The

agreement may be extended for additional 364-day periods under the terms thereof.

Under a five year revolving credit agreement with the same group of three banks effective August 31 1995 an amended Nov 30 1995 Co may borrow up to \$500,000,000. The agreement may be extended for additional one year periods under the terms thereof. Amounts outstanding under the agreement may be converted into two year term loans at any time.

Both revolving credit agreements contain net worth and certain non-financial covenants. There are no compensating balance arrangements.

Co. has a commercial paper program under which \$280,000,000 at par at principal amount of unsecured short-term notes can be issued.

Under a shelf registration with the Securities and Exchange Commission covering \$200,000,000 of unsecured debt securities with maturities ranging from nine months to thirty years Co may issue securities from time to time in one or more offerings and will offer the securities on a non-discriminatory basis at the time of sale.

Subsequent to the date of the financial statements Co issued a \$50,000,000 term note and approximately \$205,000,000 in other available sources of financing.

Letter of Credit Co occasionally enters into standby letters of credit to guarantee various operating covenants under the agreement which expire in 1996 providing a default liability to the various beneficiaries of the letters of credit. Amounts outstanding under the agreement totaled \$17,075,000 \$70,091,000 and \$1,656,000 at Dec 31 1995 1994 and 1993 respectively.

2. Shaw-Williams Development Corp 9 1/2% Ltd. debenture due 2016

Rating - A2
 AU18 - \$50,000,000
 OUSTS Dec 31 1995 \$15,900,000
 INTEREST Paid 15
 TRUSTEE First National & Savings Bank Chicago Ill.
 CALLABLE - Call at 100
 LISTED - On New York Stock Exchange
 OFFERED - at 100 plus accrued interest on July 1, 1986 thru Shaw-Williams Brother Inc. First Boston Corp and associates.
 PRICE RANGE 1995
 High 17 1/4
 Low 16 1/2

CAPITAL STOCK

Schlitz-Williams Co common, par \$1
 AUTH 300 000 000 shs
 (OUTSTANDING Dec 31 1995 85 454 813 shs in treasury 15 635 414 sh par \$1)
 Par changed from \$100 to \$25 in Aug 1920 by 4-for-1 split 5/5 thru split 2-for-1 Aug 27 1947 changed from \$75 to \$12 50 in Dec 1959 by 2-for-1 split from \$12 50 to \$6 25 on Dec 9 1964 by 2-for-1 split par \$6 25 shares split 2 for 1 on Mar 30 1981 and Mar 30 1983 Par changed from \$6 25 to \$1 in Apr 1984 share-for-share
 \$1 par shares split 2-for 1 Mar 31 1986 and Mar 29 1991

STOCK OPTION PLANS - At Dec 31 1995 stock option activity was as follows

Stock Option	Shares
Outstanding beginning of year	2 606 459
Granted	504 700
Exercised	(606 656)
Cancelled	(15 869)
Outstanding end of year	2 488 134
Forfeitable	1 671 194
Reserved for future grants	2 401 731

VOTING RIGHTS Has full voting power subject to right of preferred stock.

DIVIDENDS PAID - (Calendar years)

Year	Dividend (\$100 par shares)
1884	Nil 1885 18 00 1886 12 00
1887/91	10 00 1892 93 8 00 1894 10 00
1895	8 00 1896 97 10 00 1898 8 00
1899	10 00 1900 10 00 1901 12 50
1902/11	10 00 1912 13 12 50 1914-15 10 00
1916	20 00 1917 17 50 1919 10 00
1920	8 12 1/2
(\$25 par shares)	
1921	1 06 1/2 1922 0 50 1923 2 12 1/2
1924	2 50 1925 2 62 1/2 1926 3 00
1927	3 12 1/2 1928 3 62 1/2 1929 4 12 1/2
1930	4 50 1931 4 3 1/2 1932 2 67 1/2
1933	1 00 1934 2 50 1935 3 50
1936	4 00 1937 6 00 1938 2 50
1939	2 75 1940 3 00 1941 3 75
1942 44	3 00 1945 3 75 1946 4 75
1947	5 00
(\$75 par shares after 2-for-1 split)	
1937	0 62 1/2 1948 49 3 00 1950 3 12 1/2
1951 52	4 50 1953 3 75 1954 4 12 1/2
1955	4 50 1956 4 75 1957 5 12 1/2
(\$12 50 par shares after 2-for-1 split)	
1960 63	3 00 1964 3 10
(\$6 25 par shares after 2-for-1 split)	
1965	1 75 1966 1 92 1/2 1967 73 2 00
1974	2 05 1975 77 2 20 1978 Nil
1979	0 15 1980 1 20 1981 0 40
(\$6 25 par shares after 2-for-1 split)	
1981	0 60 1982 1 00 1983 0 30
(\$10 par shares after 2-for-1 split)	
1984	0 45 1984 0 19
(\$1 par shares)	
1984	0 57 1985 0 92 1986 0 25
(\$1 par shares after 2-for-1 split)	
1986	0 37 1987 0 56 1988 0 64
1989	0 70 1990 0 76 1991 0 21

Year	Dividend (\$1 par shares after 2-for-1 split)
1991	0 42 1992 0 44 1993 0 50
1994	0 56 1995 0 64
DIVIDENDS PAID (Calendar years)	
(\$100 par shares)	
1884	Nil 1885 18 00 1886 12 00
1887/91	10 00 1892 93 8 00 1894 10 00
1895	8 00 1896-97 10 00 1898 8 00
1899	10 00 1900 10 00 1901 12 50
1902/11	10 00 1912 13 12 50 1914-15 10 00
1916	20 00 1917 18 17 50 1919 10 00
1920	8 12 1/2
(\$25 par shares)	
1921	1 06 1/2 1922 0 50 1923 2 12 1/2
1924	2 50 1925 2 62 1/2 1926 3 00
1927	3 12 1/2 1928 3 62 1/2 1929 4 12 1/2
1930	4 50 1931 4 3 1/2 1932 2 67 1/2
1933	1 00 1934 2 50 1935 3 50
1936	4 00 1937 6 00 1938 2 50
1939	2 75 1940 3 00 1941 3 75
1942 44	3 00 1945 3 75 1946 4 75
1947	5 00
(\$25 par shares after 2-for-1 split)	
1947	0 62 1/2 1948-49 3 00 1950 3 12 1/2
1951 52	3 50 1953 3 75 1954 4 12 1/2
1955	4 50 1956 4 75 1957 5 12 1/2
(\$12 50 par shares after 2-for-1 split)	
1960 63	3 00 1964 3 10
(\$6 25 par shares after 2-for-1 split)	
1965	1 75 1966 1 92 1/2 1967/73 2 00
1974	2 05 1975-77 2 20 1978 Nil
1979	0 15 1980 1 20 1981 0 40
(\$6 25 par shares after 2-for-1 split)	
1981	0 60 1982 1 00 1983 0 50
1983	0 45 1984 0 19
On \$1 par shares	
1984	0 57 1985 0 92 1986 0 25
\$1 par shares after 2-for-1 split	
1986	0 37 1987 0 56 1988 0 64
1989	0 70 1990 0 76 1991 0 21
On \$1 par shares after 2-for-1 split	
1991	0 42 1992 0 44 1993 0 50
1994	0 56 1995 0 64 1996 0 71
(Plus 5% in stock in 1886 and 1887 and 10% in 1889)	
(Plus 3 3/4% in stock in 1901 1903 1909 and 1911 and 20% in 1906)	
(Plus 10% in stock in 1915)	
(Plus 50% in stock Aug 1920 which together with four (4) one split resulted in each \$100 par share receiving an added of \$25 par)	
(All one additional share for each share held to effect 2-for-1 split Aug 22 1947)	
(10 Mar 18)	
(Full right, details See below)	

DIVIDEND REINVESTMENT PLAN Co offers a plan for shareholders and debentureholders to automatically purchase shares of Co common stock with their dividend and/or market Voluntary cash contributions may be made in amount from \$10 to \$7 000 each month. Shares are purchased in the open market by Security National Bank, administrator of the Plan with Co absorbing all brokerage fees and bank service charges. Shareholders participating in Plan vote their plan shares. Any shares owned outside Plan may be deposited with administrator for socking up. After each payment administrator furnishes each shareholder a statement showing amounts received shares purchased and their balance to date.

TRANSFER AGENT & REGISTRAR - KeyCorp
 Stockholder Services Inc. Cleveland Ohio

LISTED - On NYSE (Symbol SHW) Unlisted trading on Philadelphia SE

Price Range	1995
High	41 1/2
Low	32

Preferred Stock Purchase Rights Co's board of directors declared a dividend distribution of one preferred share purchase right for each outstanding share of Co's common stock effective Feb 6 1989.

Initially this right will not be exercisable or in physical form. The right to entitlement will trade with the common stock. However should a person or group acquire 20% or more of the Co's shares or announce an intent to acquire 20% or more of the Co's shares, the right will become exercisable 20 days later and separately exercisable. Exercising the right will be distributed at that time. The rights could begin to trade independently from Co's stock.

If the rights become exercisable a holder will be entitled to buy from Co one fourth of a share of cumulative convertible serial preferred stock of the Co for \$95 if the Co is involved in a merger or other business combination at any time after the rights become exercisable. The right will be modified so as to entitle a holder to buy a number of the acquiring Co's common shares having a market value of twice the exercise price of each right. If a 20% holder acquires the Co by means of a takeover in which Co and its shares survive or enter into a similar business transaction with Co each right received by the acquirer would become exercisable for one fourth of a share of the Co's common stock which as that time have a market value of two times the exercise price of the right. The right will expire on Jan 25 1992. The right may be redeemed by Co for one cent per right prior to a public announcement at that 20% or more of the shares of common stock have been acquired.

ARTICLE OF INCORPORATION

The undersigned, H A Sherwin, J P Williams, S P Fern, W H Hogarth, and J W Ingersoll, all duly citizens of the State of Ohio, and desiring to become incorporated, do hereby subscribe and agree to enter the following Article of Incorporation

ARTICLE FIRST The name of this corporation is THE WILSON'S CO PAN Y

ARTICLE SECOND. The place where this corporation shall be located and its principal business shall be transacted in the City of Cleveland in the County of Cuyahoga and State of Ohio.

ARTICLE THIRD The purpose for which this corporation is formed is to carry on the business of manufacturing, retailing, and dealing in Oil, Paints and Colors

ARTICLE FOURTH The amount of the capital stock of this corporation is Three Hundred Thousand Dollars (\$300,000) and the number of shares into which the same is divided is three thousand

IN WITNESS WHEREOF We do hereunto set our respective hands and seals this 14th day of July A D 1884

H A Sherwin (SEAL)
J P Williams (SEAL)
S P Fern (SEAL)
W H Hogarth (SEAL)
J W Ingersoll (SEAL)

(2)

(2)

THE STATE OF OHIO, CUYAHOGA COUNTY, SS.

Before the undersigned, a Notary Public duly appointed and qualified within and for the said County of Cuyahoga, personally appeared the above named incorporators, A. A. Sier, L. P. Williams, S. P. Penn, W. H. Hogarth, and J. F. Ingersoll, and severally acknowledged the foregoing articles by them respectively subscribed to be their free act and deed, and the act and deed of each of them respectively.

IN TESTIMONY WHEREOF I do hereunto set my hand and affix my Notarial Seal this 12th day of July, A. D. 1884.

Harry L. Vaill,

(SLAL)

Notary Public

THE STATE OF OHIO, CUYAHOGA COUNTY, SS.

I, HENRY W. KITCHEN, Clerk of the Court of Common Pleas, a Court of Record of Cuyahoga County, aforesaid, do hereby certify that Harry L. Vaill, before whom the annexed articles were taken, was, at the date thereof, a Notary Public in and for said County, duly authorized by the laws of Ohio, to take the same, and I am well acquainted with his handwriting and believe his signature thereto to be genuine.

IN TESTIMONY WHEREOF, I hereunto subscribe my name and affix the seal of said Court, at Cleveland, this 12th day of July, A. D. 1884.

Henry W. Kitchen, Clerk.

(SFAL)

This is to certify,

(1) That on the 25th day of March, 1933, the SKIRI-MILLIA S COMPANY, a corporation heretofore duly incorporated under the laws of Ohio, and having its principal office and place of business at Cleveland, in the County of Cuyahoga and State of Ohio, held at its said office a meeting for the purpose of increasing its capital stock

(2) That all the original stock of said corporation in the amount of Three Hundred Thousand Dollars had prior to such meeting been fully paid in

(3) That at such meeting were present in person stockholders owning said original stock to the amount of 225 Thousand Dollars, and stockholders present by proxy at such meeting owning said original stock to the amount of Seventy Five Thousand Dollars

(4) That at such meeting all the holders of said original stock and in writing waive the notice or publication and by letter of the time, place and object of such meeting, as would otherwise be required by section 3262 of the Revised Statutes of Ohio, and all agree in writing to the increase of said Capital Stock by the additional sum of One Hundred Thousand Dollars, thus making the Capital Stock at future Four Hundred Thousand Dollars, all which does appear on the records of said Corporation

IN TESTIMONY of the truths of the facts set forth in the foregoing certificate, we do hereto subscribe our signatures as President and Secretary of said Corporation and also affix thereto the corporate seal of the said Corporation

A. Sierin, President

W. I. Vogath, Secretary

100 Canal Street, Cleveland, O ,

March 1, 89

To the Hon Secretary of State,
Columbus, Ohio

THE SHERRILLIUMS COMPANY were, certified that at a stock-
holders' meeting, called by a majority of its directors, held at the
office of the Company, February 20, 1889, at ten and a half o'clock
were present, either in person or by proxy, and duly advised in writing
the notice of such meeting, provided for by law, and also in writing
agreed to the increase of capital stock, as hereinafter mentioned, it was,
by a vote of the holders of a majority of the stock, RESOLVED, on motion,
that the capital stock of said Company should be increased from \$400,000
to \$600,000 or in 100 shares of \$100 each

IN WITNESS WHEREOF, said THE SHERRILLIUMS COMPANY has caused its
corporate seal to be hereto affixed, and its President and Secretary to sub-
scribe this certificate, this 1st day of March, A D 1889

W F SHERILLIUMS COMPANY,

Corporate

Seal

By L. A. Sorin, President,

and J. T. Telford, Secretary

Corporation

John A. Moore, Secretary,

John A. Moore, President,

the corporation be it to be hereby attested by the President and Secretary to
this certificate of incorporation this 15th day of June, 1922

IN WITNESS WHEREOF said JOHN A. MOORE and JOHN A. MOORE have caused

shares of One Hundred Dollars each

Seven Hundred and Fifty Dollars in the amount of five hundred

stock of said Company should be increased from five hundred to

holders of the majority of its stock, PROVIDED on condition that the capital

increase of capital stock hereinafter mentioned, it is of a vote on the

of such matter, provided for by law, and also a fifth agreed to the

present either in person or by proxy, and a majority of the stock

of the Company January 15th, 1922, at which all stockholders were

stockholders in the called by a majority of its Directors held at the

THE JOHN A. MOORE COMPANY hereby certifies that at the

Columbus, Ohio

Secretary of State,

To the Honorable J. Ryan,

Cleveland, Ohio, Jan 15th, 1922

(6)

100 Canal Street, Cleveland,

January 17, 1901

Hon Lewis C Laylin,
Secretary of State,
Columbus, Ohio

Dear Sir

THE SHEPWIN WILLIAMS & CO P. Y hereby certifies
that at a stockholders meeting, called by the majority of its
Directors, held at the office of the Company, this day, January
17th, 1901, pursuant to notice duly given according to law, it
was by a vote of the holders of the majority of its stock resolved
on motion

"That the Capital Stock of said Company should be
increased from \$750,000.00 to \$1,500,000.00 in seven thousand five
hundred shares of One Hundred Dollars each "

IN WITNESS WHEREOF said THE SHEPWIN WILLIAMS
COMPANY has caused its corporate seal to be hereon affixed and its
President and Secretary to subscribe this certificate this 17th day
of January, A D 1901

Corporate
Seal

W A S... , President
S... , Secretary

10

1923

January

Handwritten signature

10

10

10

10

10

10



(7)

Hon L C Laylin, Sec'y of State,
Columbus, Ohio

Dear Sir -

THE SHEPHERD WILLIAMS COMPANY hereby certifies that at the regular annual meeting of its stockholders, held on November 1, 1906, the following Amendment of its Articles of Incorporation was adopted by a vote of all of its stockholders and the usual 60 days notice being waived in writing.

RESOLVED That the purpose for which this corporation is formed is to carry on the business of manufacturing and dealing in paints, colors, varnishes, japans, dryers, oils, turpentine, lead, zincs, flaxseed, painters' supplies, tin cans, containers of all kinds, lumber boxes and all kindred articles incident to the business, to engage in printing, publishing and general job printing and all things ancillary thereto pertaining to the business, to own and operate mines or ores, of lead, zincs and other minerals and doing all things incident thereto, and that said memorandum as above set forth is a true copy of the original.

IN WITNESS WHEREOF Said Company has caused its name and corporate seal to be hereby affixed and this certificate by its President and Secretary this 8th day of December, 1906.

THE SHEPHERD WILLIAMS CO.

Corporate
Seal

Larry A. Sherman, President,

S. P. Foman, Secretary

SW015

CERTIFICATE OF INCREASE OF CAPITAL STOCK

H. A. SHERWIN, President, and S. P. TOM, Secretary, of THE SHERWIN WILLIAMS COMPANY, duly authorized in the premises, and acting on behalf of said Company, do hereby certify, that on the 1st day of November, A. D. 1902, the capital stock of said Company is fully subscribed for, and an installment of ten per cent on each share of stock has been paid, that on said day, by a vote of the holders of a majority of the stock of said company, at a meeting called by a majority of its directors, and held at the office of the Company, in the City of Cleveland, Cuyahoga County, Ohio, and at which meeting, all the holders of the capital stock of said Company were present in person or by proxy, and waived in writing the notice by publication and by letter of the time, place and object of such meeting required by law, and also agreed in writing, to the increase of capital stock hereinafter set forth, to-wit, on motion, "RESOLVED, that the capital stock of said, THE SHERWIN WILLIAMS COMPANY, be increased from \$1,500,000.00, its present capital stock, to \$2,500,000, divided into 10,000 shares of \$100. each, and further, that the President and Secretary of said Company be instructed to file a certificate of such increase with the Secretary of State", which is done accordingly.

IN WITNESS WHEREOF, The aforesaid H. A. SHERWIN, President, and S. P. Tom, Secretary, of THE SHERWIN WILLIAMS COMPANY, acting for and on behalf of said Company, have hereunto set their hands this 1st day of December, A. D. 1902

THE SHERWIN WILLIAMS COMPANY,

Corporate
Seal

By H. A. SHERWIN, President,
S. P. TOM, Secretary

CERTIFICATE OF INCREASE OF CAPITAL STOCK

- of -

THE SHERWIN-WILLIAMS COMPANY

THE SHERWIN-WILLIAMS COMPANY hereby certifies that, at a meeting of its stockholders held at the office of said company, in the City of Cleveland, Ohio, on the 15th day of June, 1905, pursuant to notice of the time, place and object of said meeting, duly given and by publication duly and lawfully given, and pursuant to the assent, in writing, of three-fourths in number of the stockholders, representing more than three-fourths of the capital stock of said Company, the following resolution was adopted by the affirmative vote of more than three-fourths of the capital stock of said Company, to wit:

"RESOLVED,

That the capital stock of THE SHERWIN-WILLIAMS COMPANY be, and the same is hereby increased from One Million Five Hundred Thousand Dollars (\$1,500,000.00) its present capital stock, to Three Million Five Hundred Thousand Dollars (\$3,500,000.00) divided into Thirty Five Thousand (35,000) shares of One Hundred Dollars (\$100.00) each, that such increased capital stock of One Million Dollars (\$1,000,000.00) shall be preferred stock, entitled to dividends out of the surplus profits of the Company in each year, in preference to all other stockholders, not exceeding seven (7) per cent and the Board of Directors are authorized to issue said stock and dispose of it from time to time, as, in their judgment, the necessities of the Company shall require, and to express, in the Certificates of Stock, the preference to which said stock shall be entitled, not exceeding seven (7) per cent, and

RESOLVED, That the President and Secretary of this Company be, and they are hereby authorized and directed to make and file, with the Secretary of State of the State of Ohio, a proper certificate of this action."

In pursuance of said resolution, and as required by the laws of the State of Ohio, this certificate is made and signed at the Secretary of State

IN WITNESS WHEREOF, Said THE SHERWIN-WILLIAMS COMPANY, by its President and Secretary, therunto lawfully authorized as aforesaid, has hereunto set its corporate name and affixed its corporate seal, this 15th day of June, A. D. 1905

THE SHERWIN-WILLIAMS COMPANY,

Corporate Seal

J. A. Sherwin, President, S. P. Fourn, Secretary

CERTIFICATE OF INCREASE OF CAPITAL STOCK

- of -

THE SHERWIN WILLIAMS COMPANY

THE SHERWIN-WILLIAMS COMPANY hereby certifies that on the 4th day of November, 1907, it being then a corporation duly organized and existing under the laws of the State of Ohio, with its original capital stock fully subscribed for and more than an installment of ten per cent on each share of the same paid in, at a meeting of its stockholders, held at its office in the City of Cleveland, Ohio, at which there were present, in person or by proxy, more than three-fourths of its stockholders, representing more than three-fourths of its capital stock, notice of the time, place and object of which meeting by publication and by letter having been duly given as required by law, said stockholders having agreed and voted, to increase the capital stock of said company from Three Million Five Hundred Thousand Dollars (\$3,500,000.00) its present capital stock, to Six Million Dollars (\$6,000,000.00), said increased stock to be divided into Twenty-Five Thousand (25,000) shares of One Hundred Dollars (\$100.00) each, One Million Five Hundred Thousand Dollars (\$1,500,000.00) of said increased capital stock shall be common capital stock and One Million Dollars (\$1,000,000.00) shall be preferred capital stock, having a preference of seven per cent (7%) per annum, payable quarterly, the preferred stock and common stock to contain such provisions as the Board of Directors shall determine, the following resolutions were adopted by the votes of more than three-fourths of its stockholders, representing more than three-fourths of its capital stock, to wit:

"RESOLVED, That the capital stock of THE SHERWIN WILLIAMS COMPANY, be, and the same is hereby, increased from Three Million Five Hundred Thousand Dollars (\$3,500,000.00), its present capital stock, to Six Million Dollars, (\$6,000,000.00), said increased stock to be divided into Twenty-Five thousand (25,000) shares of One Hundred Dollars (\$100.00) each, One Million Five Hundred Thousand Dollars (\$1,500,000.00) of said increased capital stock shall be common capital stock, and one Million Dollars (\$1,000,000.00) shall be cumulative preferred capital stock, entitled to dividends out of the surplus profits of the Company in each year in preference to all other stockholders not exceeding seven per cent (7%) per annum, payable quarterly, the certificates for the preferred stock and common stock to contain such provisions as the Board of Directors shall determine, and

RESOLVED, That the President and Secretary of this Company, be and they are hereby authorized and directed to send and file with the Secretary of State of the State of Ohio a proper certificate of this action "

In pursuance of the foregoing resolution and as required by the laws of the State of Ohio, this certificate is duly signed and filed with the Secretary of State

IN WITNESS WHEREOF, THE SHERRILL-ILLIUS COMPANY, acting by its President and Secretary, has hereunto set its corporate name and affixed its corporate seal, this 4th day of November, A. D. 1907

Corporate
Seal

THE SHERRILL-ILLIUS COMPANY

By H. A. Sizer, President,

Attest E. P. Fourn, Secretary

(1)

CERTIFICATE OF INCREASE OF CAPITAL STOCK

-- of --

THE SHUPPIN-WILLIAMS COMPANY

THE SHUPPIN-WILLIAMS COMPANY hereby certifies that, on the 30th day of December, 1909, it being then a corporation duly organized and existing under the laws of the State of Ohio, at its original capital stock fully subscribed for and more than an installment of ten per cent on each share of the same paid up, at a meeting of its stockholders, called by a majority of its directors, held at its office in the City of Cleveland, Ohio, at which a majority of the holders of its capital stock were present in person or by proxy, notice of the time, place and object of which meeting by publication and by letter having been duly given as required by law, the following resolution was adopted by the vote of a majority of the capital stock of the Company, to wit:

"RESOLVED, That the capital stock of THE SHUPPIN-WILLIAMS COMPANY be, and the same is hereby, increased from Six Million Dollars (\$6,000,000.00), its present capital stock, to Eight Million Dollars (\$8,000,000.00), all of which increase shall be common capital stock, and shall be divided into Twenty Thousand (20,000) shares of One Hundred Dollars (\$100) each, and that the President, or Vice President, and Secretary of said Company be, and they are hereby authorized and directed to file a proper certificate of this action with the Secretary of State of the State of Ohio."

In pursuance of the foregoing resolution and as required by the laws of the State of Ohio, this Certificate is duly and lawfully filed with the Secretary of State

IN WITNESS WHEREOF, THE SHUPPIN-WILLIAMS COMPANY, acting by its President and Secretary, has caused to set its corporate name and affixed its corporate seal, this 30th day of December, A. D. 1909

THE SHUPPIN-WILLIAMS COMPANY

Corporate Seal

By Walter J. Cunningham, President

Attest A. V. Frank, Secretary

(15)

CERTIFICATE OF INCREASE OF CAPITAL STOCK

- of -

THE SHERWIN-WILLIAMS COMPANY

THE SHERWIN-WILLIAMS COMPANY hereby certifies that, on the 10th day of November, 1913, it being then a corporation duly organized and existing under the laws of the State of Ohio, with its original stock fully subscribed for and more than an installment of ten per cent of each share of the same paid in, at a meeting of its stockholders, called by a majority of its Directors, held at its office in the City of Cleveland, Ohio, at which a majority of the holders of its capital stock were present in person or by proxy, notice of the time, place and object of which meeting, by publication and by letter having been duly given as required by law, the following resolution was adopted by the vote of a majority of the capital stock of the Company, to wit:

"RESOLVED, That the capital stock of THE SHERWIN-WILLIAMS COMPANY be, and the same is hereby, increased from Eight Million Dollars (\$8,000,000.00), its present capital stock, to Nine Million Dollars (\$9,000,000.00), all of which increase shall be common capital stock and shall be divided into Ten Thousand (10,000) shares of One Hundred Dollars (\$100.00) each, and that the President, or Vice President, and Secretary of this Company be, and they are hereby, authorized and directed to file a proper certificate of this action with the Secretary of State of the State of Ohio."

In pursuance of the foregoing resolution and as required by the laws of the State of Ohio, this Certificate is made and filed with the Secretary of State.

IN WITNESS WHEREOF, The Sherwin-Williams Company, acting by its President and Secretary, has hereunto set its corporate name and affixed its corporate seal, this tenth day of November, A. D. 1913

THE SHERWIN-WILLIAMS COMPANY

Corporate
Seal

By Walter K. Cunningham, President
and Secretary

CERTIFICATE OF INCREASE OF CAPITAL STOCK

- of -

THE SHERWIN-WILLIAMS COMPANY

THE SHERWIN-WILLIAMS COMPANY hereby certifies that on the 3rd day of April, 1917, it being then a corporation duly organized and existing under the laws of the State of Ohio, with its original capital stock fully subscribed for and an installment of ten per cent on each share of the same paid in, at a meeting of its stockholders, held in its office in the City of Cleveland, Ohio, at which there were present, in person or by proxy, more than three-fourths of its stockholders, representing more than three-fourths of its capital stock, notice of the time, place and object of which meeting, of publication and by letter having been duly given as required by law, said stockholders having agreed in writing, to increase the capital stock of said Company from Nine Million Dollars (\$9,000,000.), its present capital stock, to Twenty-One Million Dollars (\$21,000,000), divided into two hundred and ten thousand (210,000) shares of One Hundred Dollars (\$100.00) each, of which increased capital stock eighty thousand (80,000) shares of One Hundred Dollars (\$100.00) each should be common capital stock, and forty thousand (40,000) shares of One Hundred Dollars (\$100.00) each should be issued and disposed of as preferred capital stock entitled to the preferences set out in the resolutions hereinafter mentioned, the following resolutions were adopted by the votes of more than three-fourths of its stockholders, representing more than three-fourths of its capital stock, to wit

"RESOLVED, That the capital stock of THE SHERWIN-WILLIAMS COMPANY be, and the same is hereby, increased from Nine Million Dollars (\$9,000,000), its present capital stock, to Twenty One Million Dollars (\$21,000,000), divided into two hundred and ten thousand (210,000) shares of One Hundred Dollars (\$100.00) each, that of such increased capital stock Eight Million Dollars (\$8,000,000) par value shall be common capital stock and Four Million Dollars (\$4,000,000) par value shall be issued and disposed of as preferred capital stock on a parity with the existing preferred capital stock, the holders hereof shall be entitled to receive cumulative dividends out of the surplus profits of the Company in each year, in preference to the holders of the common capital stock not exceeding seven per centum per annum,

That the Company shall obtain at all times net quick assets equivalent to 100% and total net assets equal to 200% of the aggregate par value of preferred stock then outstanding,

That, except with the affirmative vote or written consent of the holders of at least 20% in amount of the preferred stock outstanding, the Company shall not change the par value of the shares of this authorized issue of preferred stock, nor create or issue any debenture bonds maturing later than one year from

their issue, nor place any mortgage, deed of trust, or other lien upon the assets of the Company, other than purchase money mortgages or liens upon property hereafter acquired, nor authorize or issue any stock or security with or having priority over this authorized issue of preferred stock,

That the holders of the preferred stock shall have no voting power, except as hereinbefore provided, unless the Company fails for four consecutive quarterly periods to declare and pay its regular preferred dividends, or fails to maintain not quick assets or total net assets as hereinbefore provided, but during the continuance of such default the holders of the outstanding preferred stock shall be entitled to cast the same total number of votes as the holders of the common stock, and such voting power of the preferred stockholders shall be pro rated among the holders of such stock in proportion to their respective holdings thereof. The right to vote herein aforesaid shall cease as soon as the Company shall correct the default which has entitled the preferred stockholders to vote, subject to subsequent revivals and cessations on the foregoing terms,

That the Company reserves the right at its option to redeem all or any part of the outstanding preferred capital stock on any dividend date at One Hundred and Ten Dollars (\$110.) per share and accrued dividends upon giving thirty days' notice of its election to redeem by letter mailed to the persons in whose names certificates therefor are issued at their addresses appearing upon the books of the Company,

That in the event of the liquidation or dissolution of the Company, or sale of all of its assets, or of its consolidation or merger with any other corporation or corporation, or any distribution of its assets other than by way of dividends from its surplus earnings, the holders of the preferred stock shall be entitled to receive from the assets of the Company, after paying its debts and liabilities, One Hundred and Ten Dollars (\$110.) per share, plus accrued and unpaid dividends, and no more, but after such payment to the Preferred stockholders the remaining assets shall belong to the holders of the common stock,

That except as hereinbefore provided, the holders of the preferred stock shall be entitled to no other or further share in the profits of the Company, and shall have no other or further rights in the assets of the Company, nor any preemption right in any preferred or common stock which may be hereafter issued, and

RESOLVED, That the President or Vice-President and Secretary of this Company do, and they are hereby authorized and directed to make and file with the Secretary of State of the State of Ohio a proper certificate of this action "

In pursuance of the foregoing resolution and as required by the laws of the State of Ohio, this certificate is made and filed in the Secretary of State

IN WITNESS WHEREOF, THE SHAREHOLDERS COMPANY, acting by its President or Vice President and Secretary, has hereunto set its corporate name and affixed its corporate seal, this 20th day of April, A D 1917

THE SHERWIN-WILLIAMS COMPANY

By Walter W. Cottingham, President

Corporate
Seal

Attest A. V. Frank, Secretary

UNITED STATES OF AMERICA)
STATE OF OHIO)
OFFICE OF THE SECRETARY OF STATE)

I, WILLIAM D FULTON,
Secretary of State of the State of Ohio, do hereby certify that
the foregoing is an exemplified copy, carefully compared by me with
the original record now in my official custody as Secretary of State,
and found to be true and correct of the Certificate of Increase of
Capital Stock of

THE SHEPHERD-WILLIAMS COMPANY,
filed in this office on the 23rd day of April, A D 1917, and re-
corded in Volume 206, Page 49, of the Records of Incorporations

WITNESS my hand and official seal at
Columbus, this 23rd day of April,
A D 1917

(SEAL)

(Signed) William D Fulton,
Secretary of State

RATING SUMMARY

The "5A" portion of the Rating (the Rating Classification) indicates that the company has a worth in excess of \$50 million. The "2" on the right (Composite Credit Appraisal) indicates an overall "good" credit appraisal. This credit appraisal was assigned because of D&B's overall assessment of the company's financial, payment, and its historical information.

Below is an overview of the company's D&B Rating(s) since 01/01/91

RATING	DATE APPLIED
5A2	03/26/94
5A3	11/20/91
5A2	01/01/91

*** PAYMENT SUMMARY ***

The Payment Summary section reflects payment information in D&B's file as of the date of this report.

The PAYDEX for this company is /?

This PAYDEX score indicates that payments to suppliers average 12 days beyond terms, weighted by dollar amounts. When dollar amounts are not considered, approximately 67% of the company's payments are within terms.

Below is an overview of the company's dollar-weighted payments, segmented by its suppliers' primary industries.

TOTAL RCVD	TOTAL DOLLAR AMOUNTS	LARGEST CREDIT TERMS	% HIGH WIN	DAYS SLOW			
				<31	31-60	61-90	91+
#	\$	\$	%	%	%	%	%
Total in D&B's file	874	58,131,150	100.000				

Top 10 Industries

1 Mfg carpets/rugs	27	3,876,200	2,000,000	67	32	1	-	-
2 Mfg paint/allied prdt	21	2,076,400	900,000	46	41	11	2	-
3 Petroleum refining	18	2,762,250	600,000	77	23	-	-	-
4 Mfg organic chemicals	17	17,373,250	7,000,000	82	18	-	-	-
5 Short-tn busn credit	12	2,082,600	2,000,000	49	50	1	-	-
6 Whol lumber/millwork	12	2,193,750	2,000,000	99	1	-	-	-
7 Mfg converted paper	5	3,302,600	2,000,000	55	45	-	-	-
8 Mfg metal cans	3	1,490,000	700,000	100	-	-	-	-
9 Aluminum foundry	2	4,000,000	2,000,000	50	25	25	-	-
10 Mfg organic fibers	1	3,000,000	3,000,000	100	-	-	-	-
11 OTHER INDUSTRIES	717	14,789,900	900,000	55	37	7	1	-

Other Payment Categories

Cash experiences	5	22,250	15,000
Payment record unknown	34	1,161,950	1,000,000

Unfavorable comments 0 0 0
 Placed for collection
 with D&B 0 0
 other 0 N/A

The highest "Now Owes" on file is \$2,000,000
 The highest "Past Due" on file is \$600,000

Dun & Bradstreet has 8/4 payment experiences in its file for this company. For your convenience, we have displayed 80 representative experiences in the PAYMENTS section

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PAYMENTS (Amounts may be rounded to nearest figure in prescribed ranges)

Antic - Anticipated (Payments received prior to date of invoice)
 Disc - Discounted (Payments received within trade discount period)
 Ppt - Prompt (Payments received within terms granted)

REPORTED PAYING HIGH NOW PAST SELLING LAST SALE
 RECORD CREDIT OWES DUE TERMS WITHIN

08/97	Ppt	100000	0-	0		4-5 Mos
	Ppt	100000	100000	25000		1 Mo
	Ppt	65000	-0-	-0-	N30	1 Mo
	Ppt	40000	0	-0-	Spec agreement	2-3 Mos
	Ppt	30000	25000	-0-		1 Mo
	Ppt	20000	7500	0-	N7	1 Mo
	Ppt	20000	15000	250		1 Mo
	Ppt	10000	10000			2-3 Mos
	Ppt	10000	10000			2-3 Mos
	Ppt	7500	7500	-0-		1 Mo
	Ppt	5000	5000	-0-		1 Mo
	Ppt	2500	2500	-0-	N7	1 Mo
	Ppt	2500	250		N30	
	Ppt	2500	50	-0-	N30	1 Mo
	Ppt	2500	2500	-0-	N30	1 Mo
	Ppt	1000	0	-0-		6-12 Mos
	Ppt	750	500	0-		1 Mo
	Ppt	750	-0-	-0-		6-12 Mos
	Ppt	750	-0-	-0-		6-12 Mos
	Ppt	750	500	-0-		1 Mo
	Ppt	750	50	-0-		1 Mo
	Ppt	750	50	0		1 Mo
	Ppt	500	500	-0-		1 Mo
	Ppt	500	250	250	2 10 N30	1 Mo
	Ppt	500	250	-0-		1 Mo
	Ppt	500	50	0	N30	1 Mo
	Ppt	500	250			6-12 Mos
	Ppt	500	500	500	N30	1 Mo
	Ppt	500	250	-0-	N30	1 Mo
	Ppt	500	50	0	N30	1 Mo
	Ppt	500	100			4-5 Mos
	Ppt	500	250	-0-		1 Mo
	Ppt	250	0	0-	N30	6-12 Mos
	Ppt	250	100			2-3 Mos
	Ppt	250	250	-0-		
	Ppt	250	250	0-		1 Mo
	Ppt	100	100	0		1 Mo

Ppt-Slow 30	85000	15000	7500	N30	1 Mo
Ppt-Slow 30	65000	60000	30000		1 Mo
Ppt-Slow 30	20000	20000	1000	N10	1 Mo
Ppt Slow 30	20000	7500	-0-	N15	1 Mo
Ppt-Slow 30	7500	-0-	-0-		2-3 Mos
Ppt-Slow 30	2500	-0	0		6-12 Mos
Ppt-Slow 30	1000	-0-	0		1 Mo
Ppt Slow 30	750	-0-	-0	N30	6-12 Mos
Ppt-Slow 30	500	500	100	N30	1 Mo
Ppt-Slow 30	100	100	100	N10	1 Mo
Ppt-Slow 30	50	50	50	N30	2-3 Mos
Ppt-Slow 60	200000	200000			2-3 Mos
Ppt Slow 60	40000	5000	750	N30	1 Mo
Ppt-Slow 60	10000	5000	1000	N30	1 Mo
Ppt-Slow 60	1000	-0-	-0	N30	6-12 Mos
Ppt-Slow 60	250	-0-	-0-	N30	6-12 Mos
Ppt-Slow 60	250	250	100		1 Mo
Ppt-Slow 120	25000	0	-0-	N30	6-12 Mos
Slow 10	90000	-0-	0		1 Mo
Slow 10	40000	30000	15000		1 Mo
Slow 10	10000	7500			4-5 Mos
Slow 15	100000	100000	40000		1 Mo
Slow 25	2500	-0			6-12 Mos
Slow 30	1000	-0-	-0-	N30	2-3 Mos
Slow 30	1000	-0-	-0-		4-5 Mos
Slow 30	1000	-0-	-0-	N30	6-12 Mos
Slow 30	500	-0-	0-		6-12 Mos
Slow 35	2500	-0-	-0-		4-5 Mos
Slow 30 60	45000	45000	35000	N/	1 Mo
Slow 30-60	7500	500	500	N30	1 Mo
Slow 30-60	5000	1000	750		1 Mo
Slow 30 60	2500	1000	750		1 Mo
Slow 60	100	0-	-0-	N30	6-12 Mos
Slow 30-90	500	500	500		
Slow 90	500	500	250		1 Mo
Slow 30 90	100	100	100		1 Mo
07/97 Ppt	5000	-0-	-0-	N30	4-5 Mos
Ppt	5000	250	-0-	N30	2-3 Mos
Ppt-Slow 15	15000	1000	1000		1 Mo
Ppt-Slow 30	2000000	200000	100000		1 Mo
Ppt Slow 90	5000	5000	2500	Spec agreement	1 Mo
Ppt-Slow 90	250	-0-	-0-		4-5 Mos
Slow 30 90	5000	5000	2500	N30	1 Mo

* Payment experiences reflect how bills are met in relation to the terms granted. In some instances payment beyond terms can be the result of disputes over merchandise, skipped invoices, etc.

* Each experience shown represents a separate account reported by a supplier. Updated trade experiences replace those previously reported.

STATEMENT UPDATE

08/20/97 Interim Consolidated statement dated JUN 30 1997

Cash	\$ 7,406,000	Short term	\$
Other Curr Assets	1,680,717,000	Borrowings	386,107,000
		LI Liab-(1yr)	52,330,000
		Other Curr Liabs	1,087,706,000

Curr Assets	1,688,123,000	Curr Liabs	1,526,143,000
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Fixt & Equip	656,984,000	Long Term Debt	796,233,000
Deferred Pension		Postretirement	
Assets	264,269,000	Benefits	197,775,000
Intangibles	1,538,745,000	L T Liab-Other	216,115,000
Other Assets	71,227,000	SHAREHOLDERS'	
		EQUITY	1,483,082,000

Total Assets 4,219,348,000 Total 4,219,348,000

From JAN 01 1997 to JUN 30 1997 6 months sales \$2,443,138,000,
costs/expenses \$2,208,857,000 Operating income \$234,281,000, other
income \$5,038,000, other expenses \$48,603,000, net income before taxes
\$190,716,000 Federal income tax \$74,379,000, net income \$116,337,000

Statement obtained from the company's 2nd quarter 1997 operating
report Prepared from books without audit

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FINANCE
03/24/97

	Fiscal Consolidated Dec 31 1994	Fiscal Consolidated Dec 31 1995	Fiscal Consolidated Dec 31 1996
Curr Assets	1,188,624,000	1,238,898,000	1,416,187,000
Curr Liabs	597,048,000	618,937,000	1,051,007,000
Current Ratio	1.99	2.00	1.34
Working Capital	591,576,000	619,961,000	365,180,000
Other Assets	667,586,000	779,293,000	927,736,000
Noncurrent Liabs	311,639,000	309,990,000	542,351,000
Worth	947,523,000	1,089,264,000	750,565,000
Sales	3,100,069,000	3,273,819,000	4,132,879,000
Net Income	186,571,000	200,654,000	229,157,000
Depreciation	60,571,000	62,947,000	76,176,000
Interest Expense	3,217,000	2,532,000	24,537,000
Capital Expenditure	78,660,000	108,392,000	122,720,000
Cash Prov By Oper	250,523,000	282,725,000	332,565,000

Fiscal Consolidated statement dated DEC 31 1996

Cash	\$ 1,880,000	Accts Pay	\$ 385,928,000
Accts Rec	452,421,000	Short Term	
Inventory	642,687,000	Borrowings	164,201,000
Deferred Income		Accruals	327,768,000
Taxes	105,065,000	Taxes	169,310,000
Other Curr Assets	214,134,000	L T Liab (1yr)	3,800,000

Curr Assets	1,416,187,000	Curr Liabs	1,051,007,000
Fixt & Equip	549,391,000	Long Term Debt	142,679,000
Deferred Pension		Postretirement	
Assets	254,376,000	Benefits	184,551,000
Intangibles	650,667,000	L T Liab-Other	215,121,000
Other Assets	123,969,000	COMMON STOCK	101,650,000
		ADDN PD IN CAP	203,223,000
		TREASURY STOCK	(295,954,000)
		RETAINED EARNINGS	1,411,295,000
		TRANSLATION	
		ADJUSTMENT	(18,982,000)

Total Assets 2,994,590,000 Total 2,994,590,000

From JAN 01 1996 to DEC 31 1996 annual sales
\$4,132,879,000, cost of goods sold \$2,405,178,000 Gross profit
\$1,727,701,000, operating expenses \$1,309,086,000 Operating income
\$418,615,000 other income \$6,819,000, other expenses

\$50,057,000, net income before taxes \$375,377,000 Net income
\$229,157,000 Income taxes \$(146,220,000) Net worth at start
\$1,089,264,000 Stock transact's \$23,127,000 Net income
\$229,157,000, dividends \$60,029,000, other deductions
\$530,954,000, net worth at end \$750,565,000 Monthly rent
\$6,599,166

Minimum rental expense for all operating leases for 1997 is
\$79,190,000 Average monthly rental \$6,599,166

Statement received by mail MAR 21 1997 Prepared from
statement(s) by Accountant Ernst & Young LLP, Cleveland, OH

ACCOUNTANTS OPINION A review of the accountant's opinion
indicates the financial statements meet generally accepted accounting
principles and that the audit contains no qualifications

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Item worth shown in summary section was computed after deduction
of intangibles, principally goodwill, totaling \$650,667,000 Fixed
assets shown net less \$584,541,000 depreciation

CONSOLIDATION The consolidated financial statements include the
accounts of the company and its subsidiaries All significant
intercompany accounts and transactions have been eliminated Certain
amounts in the 1995 and 1994 financial statements have been
reclassified to conform with the 1996 presentation

--- FINANCIAL STATEMENT ITEM EXPLANATIONS-----

INVENTORIES Stated at lower of cost (LIFO method) or market
Inventories consist of \$529,148,000 finished products and \$113,539,000
work in progress and raw materials

OTHER CURRENT ASSETS Consists mainly of prepaid expenses

DEFERRED PENSION ASSETS Consists primarily of cash, equity and
fixed income securities

OTHER ASSETS Include deferred expenses and other tangible
assets

SHORT TERM BORROWINGS Represents borrowings under the company's
commercial paper program which allows for borrowings to
\$1,450,000,000 The weighted-average interest rate related to these
borrowings was 5.71% at Dec 31 1996

LONG-TERM DEBT Long term debt at Dec 31 1996, including the
current portion of \$3,800,000, consisted of

Floating rate notes due 1999	\$100,000,000
9.875% debentures due 2016	\$15,900,000
6% promissory notes due 2002	\$11,233,000
8 to 12% mortgage notes due 2005	\$3,242,000
8 - 8.5% promissory notes due 2004	\$6,985,000
7% promissory notes due 2000	\$4,400,000
4.75% promissory notes due 2000	\$800,000
Other obligations	\$119,000

Aggregate annual maturities 1997-2001 \$3,800,000, \$53,805,000,
\$59,094,000 \$5,799,000, and \$3,861,000

LONG TERM LIABILITIES OTHER Include postretirement benefits
other than pensions \$184,551,000, and other long-term liabilities
\$215,121,000

OTHER INCOME Consists principally of interest, investment,
dividend and royalty income

OTHER EXPENSES Consists of interest expense, provision for
environmental remediation, provisions for disposition and termination
of operations and miscellaneous other expenses

--- RECONCILIATIONS-----

NET WORTH For the fiscal year ended Dec 31 1996 (Fiscal 1996),
tangible net equity decreased \$338,699,000, despite the net earnings
recorded, due to the \$527,805,000 increase in deductible intangibles
resulting from acquisitions (included in OTHER DEDUCTIONS-NET WORTH

RECONCILIATION) coupled with the \$60,029,000 in cash dividends and \$3,149,000 in the purchase of treasury stock

These items were offset by the \$729,157,000 in net earnings coupled with stock issued and a positive currency translation adjustment aggregating \$23,127,000

WORKING CAPITAL For fiscal 1996, working capital decreased \$254,781,000 due to the \$338,699,000 decrease in tangible net equity coupled with a \$148,443,000 increase in non-current assets. These items were offset by the \$232,361,000 increase in non-current liabilities

CASH FLOW ANALYSIS Cash and cash equivalents decreased \$247,604,000 for fiscal 1996. Net cash provided by operating activities totaled \$332,565,000. Net cash (used in) investing activities totaled \$(719,748,000). Net cash provided by financing activities \$139,579,000

LEGAL PROCEEDINGS On Jul 16 1993, the United States Department of Justice, on behalf of the United States Environmental Protection Agency, filed a complaint against the company in the United States District Court for the Northern District of Illinois

The complaint alleges violations under various environmental statutes concerning the company's operations at its southeast Chicago facility. The relief sought demands an undetermined amount of civil penalties and further demands certain, unspecified corrective action be taken to clean up the site. The company does not expect related expenses related to this issue to be material to the company's financial condition or net income in the future

-----ANNUAL TREND-----

Fiscal 1996 net earnings were a record \$229.2 million on record revenues of \$4,132.9 million compared to fiscal 1995's net earnings of \$200.7 million on revenues of \$3,273.8 million. This represents a 14.2% increase in net earnings in fiscal 1996 with a 26.2% increase in revenues

During 1996, the company invested more than \$670.7 million in the acquisitions of Pratt & Lambert United Inc in January and many smaller domestic and foreign acquisitions that followed. Excluding these acquisitions, net income increased 12.6% and net sales for 1996 increased 7.5%

Sales in the paint store segment of the business increased 13.1%. Comparable store sales increased 10.0%. External sales in the coatings segment of the business increased 51.4% due to incremental sales from acquisitions

As a percentage of revenues, fiscal 1996 versus 1995: cost of goods sold increased (58.2% versus 57.3%), operating expenses decreased (31.7% versus 32.8%), interest expense increased (0.6% versus 0.08%), interest and net investment income decreased (0.16% versus 0.35%)

The increases in long term debt and short-term borrowings which occurred in 1996 due to the financing of acquisitions caused interest expense to increase significantly over 1995

On MAR 24 1997 management referred to the above figures

-----FINANCIAL CONDITION & HIGHLIGHTS-----

Based on the company's record earnings and revenues in fiscal 1996, trend for the business is considered up. For the three years ended Dec 31 1996 revenues for the business have increased over 33%

On a current basis at Dec 31 1996, the company's current ratio declined to 1.35 to 1. The decrease from 2.0 to 1 at the end of 1995 occurred primarily due to the increased short-term borrowings and related decreases in cash and cash equivalents and short term investments due to funds used for acquisitions. At Dec 31 1996, cash, cash equivalents and receivables covered approximately 43% of total

current liabilities compared to 94.3% at year-end 1995

Inventory turnover was 3.7 times for fiscal 1996 as compared to 4.1 times for fiscal 1995. Cash provided by operating activities totaled \$332.6 million and adequately covered the \$122.7 million in capital expenditures and \$60.0 million in cash dividends.

Principally due to acquisitions and the accompanying purchase of goodwill in fiscal 1996, the company significantly increased its leverage position. At year-end 1996, total liabilities to tangible net worth was 212.3% as compared to 85.3% at year-end 1995.

The company's commercial paper program, under which up to \$1.5 billion of unsecured short-term notes can be issued, has been utilized for recent acquisitions. At Dec 31 1996, \$166.3 million was issued under this program, however, the Jan 7 1997 Thompson Minwax Holding Corp. acquisition was financed (approximately \$830 million) through its commercial paper program. Subsequently, in Feb 1997, the company issued \$400.0 million of debt securities to refinance a portion of the company's commercial paper outstanding.

The company's commercial paper program is supported by its new (Jan 3 1997) bank credit agreement as follows: 1) a 364-day revolving credit agreement with a group of 30 banks with allowable borrowings of \$290.0 million, and, 2) a five year revolving credit agreement with the same group of 30 banks, under which the company may borrow up to \$1.2 billion.

PUBLIC FILINGS

The following data is for information purposes only and is not the official record. Certified copies can only be obtained from the official source.

*** JUDGMENT(S) ***

DOCKET NO 97CV100233
JDCMT AWARD \$576 STATUS Unsatisfied
JDCMT TYPE Judgment DATE STATUS ATTAINED 05/07/1997
AGAINST SHERWIN WILLIAMS CO, YOUNGSTOWN DATE ENTERED 05/07/1997
OH LATEST INFO RECEIVED 06/17/1997
IN FAVOR OF CERTIFIED DEVELOPERS
WHERE FILED MAHONING COUNTY MUNICIPAL
COURT/YOUNGSTOWN, YOUNGSTOWN,
OH

DOCKET NO SC97-004139
JDCMT AWARD \$160 STATUS Unsatisfied
JDCMT TYPE Judgment DATE STATUS ATTAINED 03/03/1997
AGAINST SHERWIN WILLIAMS CO SANIA DATE ENTERED 03/03/1997
BARBARA, CA LATEST INFO COLLECTED 05/23/1997
IN FAVOR OF CHANNFI COMMUNICATIONS, INC
WHERE FILED SANTA BARBARA COUNTY SMALL
CLAIMS COURT/SANIA BARBARA,
SANTA BARBARA, CA

DOCKET NO 96-018430
JDCMT AWARD \$3,014 STATUS Satisfied
JDCMT TYPE Judgment DATE STATUS ATTAINED 02/26/1997
AGAINST SHERWIN WILLIAMS CO, ROANOKE, DATE ENTERED 02/05/1997
VA LATEST INFO RECEIVED 03/27/1997

IN FAVOR OF R W KEATON & SONS
WHERE FILED ROANOKE CITY GENERAL DISTRICT
COURT, ROANOKE, VA

DOCKET NO SC68301
JDGMT TYPE Judgment STATUS Satisfied
AGAINST \$1,718-THE SHERWIN WILLIAMS CO, DATE STATUS ATTAINED 01/27/1997
DENVER, CO DATE ENTERED 11/26/1996
IN FAVOR OF KEVIN RYAN LATEST INFO RECEIVED 02/07/1997
WHERE FILED DENVER COUNTY COURT, DENVER, CO

DOCKET NO 162396WRSC
JDGMT AWARD \$1,000 STATUS Unsatisfied
JDGMT TYPE Judgment DATE STATUS ATTAINED 11/21/1996
AGAINST SHERWIN WILLIAMS, SPRINGFIELD DATE ENTERED 11/21/1996
VT LATEST INFO RECEIVED 02/12/1997
IN FAVOR OF GORDON
WHERE FILED COOS COUNTY SUPERIOR COURT,
LANCASTER, NH

DOCKET NO 21SC45396
JDGMT AWARD \$2,106 STATUS Unsatisfied
JDGMT TYPE Judgment DATE STATUS ATTAINED 09/27/1996
AGAINST SHERWIN WILLIAMS CO MALVERN, DATE ENTERED 09/27/1996
PA LATEST INFO RECEIVED 12/27/1996
and OTHERS
IN FAVOR OF MEADOWS CENTER
WHERE FILED SMALL CLAIMS COURT-NORWICH,
NORWICH, CT

CASE NO 95SC005728
JDGMT AWARD \$800 STATUS Unsatisfied
JDGMT TYPE Judgment DATE STATUS ATTAINED 01/23/1996
AGAINST SHERWIN-WILLIAMS COMPANY, DATE ENTERED 01/23/1996
RACINE, WI LATEST INFO COLLECTED 03/10/1996
IN FAVOR OF JOHN MCKLOSKEY
WHERE FILED RACINE COUNTY CIRCUIT COURT,
RACINE WI

CASE NO 951020009
JDGMT AWARD \$1,173 STATUS Unsatisfied
JDGMT TYPE Judgment DATE STATUS ATTAINED 01/17/1996
AGAINST THE SHERWIN WILLIAMS COMPANY DATE ENTERED 01/17/1996
BURNSVILLE MN LATEST INFO COLLECTED 01/22/1996
IN FAVOR OF WOLTER TRANSFER, INC
WHERE FILED HENNEPIN COUNTY CONCILIATION
COURT MINNEAPOLIS, MN

CASE NO CO94 0004
JDGMT TYPE Judgment STATUS Satisfied
AGAINST \$8,500-SHERWIN WILLIAMS CO, DATE STATUS ATTAINED 05/07/1996
PASCAGOULA MS DATE ENTERED 11/27/1995
IN FAVOR OF TERRY & MARTHA MOSS LATEST INFO RECEIVED 06/26/1996
WHERE FILED JACKSON COUNTY CIRCUIT COURT,
PASCAGOULA, MS

DOCKET NO 95CV11509
JDGMT AWARD \$1,235 STATUS Unsatisfied
JDGMT TYPE Judgment DATE STATUS ATTAINED 10/02/1995
AGAINST SHERWIN WILLIAMS, FAIRVIEW PARK DATE ENTERED 10/02/1995

OH LATEST INFO RECEIVED 03/20/1996
and OTHERS
IN FAVOR OF WEST SHORE DECORATING INC ET AL
WHERE FILED CUYAHOGA COUNTY MUNICIPAL
COURT/ROCKY RIVER, CLEVELAND,
OH

If it is indicated that there are defendants other than the
report subject, the lawsuit may be an action to clear title
to property and does not necessarily imply a claim for money
against the subject

*** SUIT(S) ***

DOCKET NO 002635597
PLAINTIFF \$2,175-A-ACTION ELECTRIC STATUS Pending
DEFENDANT SHERWIN WILLIAMS CO, BALTIMORE, DATE STATUS ATTAINED 06/23/1997
MD DATE FILED 06/23/1997
WHERE FILED BALTIMORE CITY DISTRICT COURT, LATEST INFO RECEIVED 07/29/1997
BALTIMORE, MD

DOCKET NO GD 08721-97
PLAINTIFF EMIL HERMAN STATUS Pending
RITA HERMAN DATE STATUS ATTAINED 06/06/1997
DEFENDANT SHERWIN-WILLIAMS COMPANY DATE FILED 06/06/1997
WHERE FILED ALLEGHENY COUNTY PROTHONOTARY, LATEST INFO RECEIVED 06/17/1997
PITTSBURGH, PA

DOCKET NO 970401479CV
PLAINTIFF RICHARD CURRY ETAL STATUS Pending
DEFENDANT THE SHERWIN WILLIAMS CO DATE STATUS ATTAINED 04/14/1997
and OTHERS DATE FILED 04/14/1997
WHERE FILED MONTGOMERY COUNTY DISTRICT COURT, CONROE, TX
LATEST INFO RECEIVED 05/05/1997

DOCKET NO 001479197
PLAINTIFF \$5,000-BARBERS, JESS V STATUS Pending
DEFENDANT SHERWIN WILLIAMS CO, BALTIMORE, DATE STATUS ATTAINED 04/09/1997
MD DATE FILED 04/09/1997
and OTHERS LATEST INFO RECEIVED 05/29/1997
WHERE FILED BALTIMORE CITY DISTRICT COURT,
BALTIMORE, MD

DOCKET NO 000963197
PLAINTIFF \$3,308-BODDIF, MARY STATUS Dismissed
DEFENDANT SHERWIN WILLIAMS CO, THE DATE STATUS ATTAINED 04/01/1997
WHERE FILED BALTIMORE CITY DISTRICT COURT, DATE FILED 03/06/1997
BALTIMORE, MD LATEST INFO RECEIVED 05/01/1997

DOCKET NO 97CV110361
SUIT AMOUNT \$2,125 STATUS Dismissed
PLAINTIFF TODD FEDERMAN DATE STATUS ATTAINED 04/01/1997
DEFENDANT SHERWIN WILLIAMS, UNIVERSITY DATE FILED 03/06/1997
FIGHTS, OH LATEST INFO RECEIVED 06/24/1997
WHERE FILED CUYAHOGA COUNTY MUNICIPAL
COURT/SHAKER HEIGHTS, CLEVELAND
OH

DOCKET NO 97CV118378
PLAINTIFF CITY OF FL YRIA STATUS Pending

DEFENDANT THE SHERWIN WILLIAMS COMPANY DATE STATUS ATTAINED 02/05/1997
and OTHERS DATE FILED 02/05/1997
WHERE FILED LORAIN COUNTY COMMON PLEAS LATEST INFO RECEIVED 03/18/1997
COURT, FLYRIA, OH

DOCKET NO CV97070880
PLAINTIFF DOROTHY MAIONE STATUS Pending
DEFENDANT SHERWIN WILLIAMS CO, CUYAHOGA DATE STATUS ATTAINED 01/22/1997
FALLS, OH DATE FILED 01/22/1997
WHERE FILED SUMMIT COUNTY COMMON PLEAS LATEST INFO RECEIVED 03/12/1997
COURTS, AKRON, OH

DOCKET NO 96-CVS12171
SUIT AMOUNT \$31,000 STATUS Pending
PLAINTIFF 1830 STATESVILLE AVENUE DATE STATUS ATTAINED 09/10/1996
DEFENDANT THE SHERWIN WILLIAMS COMPANY, DATE FILED 09/10/1996
CHARLOTTE NC LATEST INFO RECEIVED 12/02/1996
and OTHERS
WHERE FILED MECKLENBURG COUNTY DISTRICT
COURT, CHARLOTTE, NC

DOCKET NO 314913
SUIT AMOUNT \$25,000 STATUS Dismissed
PLAINTIFF ANTONIA STRICKLAND DATE STATUS ATTAINED 05/23/1997
DEFENDANT SHERWIN WILLIAMS COMPANY, DATE FILED 09/09/1996
CLEVELAND OH LATEST INFO RECEIVED 07/01/1997
and OTHERS
WHERE FILED CUYAHOGA COUNTY COMMON PLEAS
COURT, CLEVELAND, OH

*** LIEN(S) ***

A lienholder can file the same lien in more than one filing
location. The appearance of multiple liens filed by the
same lienholder against a debtor may be indicative of such
an occurrence.

DOCKET NO ST97028936
AMOUNT \$6,199 STATUS Open
TYPE State Tax DATE STATUS ATTAINED 06/12/1997
FILED BY STATE OF OHIO DATE FILED 06/12/1997
AGAINST SHERWIN WILLIAMS COMPANY LATEST INFO RECEIVED 07/15/1997
WHERE FILED CUYAHOGA COUNTY COMMON PLEAS
COURT, CLEVELAND, OH

DOCKET NO 02843963
AMOUNT \$378 STATUS Released
TYPE State Tax DATE STATUS ATTAINED 04/29/1997
FILED BY STATE OF INDIANA DATE FILED 03/14/1997
AGAINST THE SHERMAN WILLIAMS CO LATEST INFO RECEIVED 06/03/1997
WHERE FILED ALLEN COUNTY CIRCUIT COURT,
FORT WAYNE, IN

DOCKET NO 02843963
AMOUNT \$444 STATUS Released
TYPE State Tax DATE STATUS ATTAINED 04/29/1997
FILED BY STATE OF INDIANA DATE FILED 03/03/1997
AGAINST THE SHERWIN WILLIAMS CO LATEST INFO RECEIVED 05/27/1997
WHERE FILED MARION COUNTY CIRCUIT COURT,
INDIANAPOLIS, IN

DOCKET NO 02843963
AMOUNT \$462 STATUS Released
TYPE State Tax DATE STATUS ATTAINED 04/29/1997
FILED BY STATE OF INDIANA DATE FILED 03/03/1997
AGAINST THE SHERWIN WILLIAMS CO LATEST INFO RECEIVED 08/26/1997
WHERE FILED ST JOSEPH COUNTY CIRCUIT COURT,
SOUTH BEND, IN

BOOK/PAGE 483/239
AMOUNT \$1,000 STATUS Released
TYPE Judgment lien DATE STATUS ATTAINED 08/01/1996
FILED BY DONNIE HELMS DATE FILED 05/28/1996
AGAINST THE SHERWIN WILLIAMS COMPANY, LATEST INFO RECEIVED 04/01/1997
CHARLOTTE NC
WHERE FILED MECKLENBURG COUNTY SUPERIOR
COURT, CHARLOTTE, NC

DOCKET NO S196002880
AMOUNT \$10,063 STATUS Released
TYPE State Tax DATE STATUS ATTAINED 08/01/1996
FILED BY STATE OF OHIO DATE FILED 05/14/1996
AGAINST SHERWIN WILLIAMS COMPANY LATEST INFO RECEIVED 12/31/1996
WHERE FILED CUYAHOGA COUNTY COMMON PLEAS
COURT, CLEVELAND, OH

DOCKET NO 02358481
AMOUNT \$160 STATUS Open
TYPE State Tax DATE STATUS ATTAINED 07/25/1994
FILED BY STATE OF INDIANA DATE FILED 07/25/1994
AGAINST THE SHERWIN WILLIAMS CO, CLEVELAND LATEST INFO RECEIVED 09/19/1994
OH
WHERE FILED MARION COUNTY CIRCUIT COURT,
INDIANAPOLIS, IN

DOCKET NO 02358481
AMOUNT \$75 STATUS Open
TYPE State Tax DATE STATUS ATTAINED 07/22/1994
FILED BY STATE OF INDIANA DATE FILED 07/22/1994
AGAINST THE SHERWIN WILLIAMS CO CLEVELAND LATEST INFO RECEIVED 11/08/1994
OH
WHERE FILED ELKHART COUNTY CIRCUIT COURT,
COSHLEN, IN

DOCKET NO 02358481A
AMOUNT \$154 STATUS Released
TYPE State Tax DATE STATUS ATTAINED 12/20/1994
FILED BY STATE OF INDIANA DATE FILED 07/14/1994
AGAINST THE SHERWIN WILLIAMS CO, CLEVELAND LATEST INFO RECEIVED 07/23/1996
OH
WHERE FILED LAKE COUNTY CIRCUIT COURT,
CROWN POINT, IN

BOOK/PAGE 55/9
AMOUNT \$340 STATUS Open
TYPE Judgment lien DATE STATUS ATTAINED 04/19/1994
FILED BY JAY CARL JONES III DATE FILED 04/19/1994
AGAINST SHERWIN-WILLIAMS CO, KINSTON, NC LATEST INFO RECEIVED 05/05/1994
WHERE FILED LENOIR COUNTY SUPERIOR COURT,
KINSTON, NC

*** UCC FILING(S) ***

COLLATERAL Specified Negotiable instruments including proceeds and products -
Specified Account(s) including proceeds and products - Specified
General intangibles(s) including proceeds and products - Specified
Chattel paper including proceeds and products - and OTHERS

FILING NO AH86573 DATE FILED 12/21/1992
TYPE Original LATEST INFO RECEIVED 03/08/1993
SEC PARTY NDH CAPITAL CORPORATION, NEW YORK, NY FILED WITH SECRETARY OF
STATE/UCC DIVISION,
ASSIGNEE UNITED OF OMAHA LIFE INSURANCE COMPANY, OMAHA, NE OH
DEBTOR SHERWIN-WILLIAMS COMPANY, THE,
CLEVELAND, OH

COLLATERAL Specified Negotiable instruments including proceeds and products -
Specified Account(s) including proceeds and products Specified
Equipment including proceeds and products Specified General
intangibles(s) including proceeds and products and OTHERS

FILING NO AH86572 DATE FILED 12/21/1992
TYPE Original LATEST INFO RECEIVED 03/08/1993
SEC PARTY NDH CAPITAL CORPORATION, NEW YORK, NY FILED WITH SECRETARY OF
STATE/UCC DIVISION,
ASSIGNEE UNITED OF OMAHA LIFE INSURANCE COMPANY, OMAHA, NE OH
DEBTOR SHERWIN-WILLIAMS COMPANY, THE,
CLEVELAND OH

COLLATERAL Leased Negotiable instruments including proceeds and products -
Leased Business machinery/equipment including proceeds and products

FILING NO 543044 DATE FILED 02/27/1992
TYPE Original LATEST INFO RECEIVED 03/04/1992
SEC PARTY CONCEPT FASING INC, OMAHA, NE FILED WITH SECRETARY OF
DEBTOR WERTZBERGER GREG LINCOLN, NE STATE/UCC DIVISION,
NE

FILING NO 573749 DATE FILED 01/14/1993
TYPE Assignment LATEST INFO RECEIVED 02/03/1993
ASSIGNEE FIRST BANK, OMAHA NE ORIG UCC FILED 02/27/1992
DEBTOR WERTZBERGER GREG LINCOLN, NE ORIG FILING NO 543044
FILED WITH SECRETARY OF
STATE/UCC DIVISION,
NE

COLLATERAL Specified Negotiable instruments and proceeds - All Account(s) and
proceeds - All General intangibles(s) and proceeds All Chattel
paper and proceeds

FILING NO 94094818 DATE FILED 05/11/1994
TYPE Original LATEST INFO RECEIVED 06/14/1994
SEC PARTY FDIC, MONMOUTH JUNCTION, NJ FILED WITH SECRETARY OF
DEBTOR SHERMAN WILLIAMS WATER TOWN, NY STATE/UCC DIVISION,
NY

COLLATERAL Specified Negotiable instruments and proceeds

FILING NO AH11691 DATE FILED 12/16/1991
TYPE Original LATEST INFO RECEIVED 03/09/1992
SEC PARTY CARMEL OVERVIEW LTD LP, OAKLAND, CA FILED WITH SECRETARY OF
STATE/UCC DIVISION,
ASSIGNEE NORDDEUTSCHE LANDESBANK, GERMANY OH

DEBTOR SHERWIN-WILLIAMS CO, CLEVELAND,
OH

COLLATERAL Inventory - Equipment

FILING NO 0000326649 DATE FILED 07/10/1996
TYPE Original LATEST INFO RECEIVED 08/28/1996
SEC PARTY PEPSI-COLA BOTTLING COMPANY OF FILED WITH SECRETARY OF
EUGENE, EUGENE, OR STATE/UCC DIVISION,
DEBTOR SHERWIN WILLIAMS, EUGENE, OR OR

FILING NO 0000326649 DATE FILED 07/08/1997
TYPE Termination LATEST INFO RECEIVED 08/12/1997
SEC PARTY PEPSI COLA BOTTLING COMPANY OF ORIG UCC FILED 07/10/1996
EUGENE, EUGENE, OR ORIG FILING NO 0000326649
DEBTOR SHERWIN WILLIAMS, EUGENE, OR FILED WITH SECRETARY OF
STATE/UCC DIVISION,
OR

COLLATERAL Leased Inventory including proceeds and products

FILING NO 96023145 DATE FILED 02/05/1996
TYPE Original LATEST INFO RECEIVED 02/13/1996
SEC PARTY PINNEY BOWFS CREDIT CORPORATION, FILED WITH SECRETARY OF
NORWALK, CT STATE/UCC DIVISION,
DEBTOR SHERWIN WILLIAMS, GARI AND, TX TX

COLLATERAL Products - Proceeds - Real property SPECIFIC EQUIPMENT

FILING NO AN5/213 DATE FILED 04/18/1997
TYPE Original LATEST INFO RECEIVED 05/22/1997
SEC PARTY NEC AMERICA INC, ROCHELLE PARK, FILED WITH SECRETARY OF
NJ STATE/UCC DIVISION,
DEBTOR SHERWIN-WILLIAMS COMPANY, THE., OH
CLEVELAND, OH

COLLATERAL Proceeds - LEASES

FILING NO AN56236 DATE FILED 04/16/1997
TYPE Original LATEST INFO RECEIVED 05/22/1997
SEC PARTY FUJI PHOTO FILM U S A INC, FILED WITH SECRETARY OF
ELMSFORD, NY STATE/UCC DIVISION,
DEBTOR SHERWIN WILLIAMS, CLEVELAND, OH OH

COLLATERAL Proceeds General intangibles(s) Contract rights - ACCESSORIES

FILING NO AN55036 DATE FILED 04/11/1997
TYPE Original LATEST INFO RECEIVED 05/22/1997
SEC PARTY COMPANION LIFE INSURANCE COMPANY FILED WITH SECRETARY OF
OMAHA, NE STATE/UCC DIVISION,
DEBTOR SHERWIN-WILLIAMS COMPANY, THE., OH
CLEVELAND, OH

There are additional suits, liens, or judgments in D&B'S
file on this company available by contacting

There are additional UCC's in D&B's file on this company
available by contacting

The public record items contained in this report may have been
paid, terminated, vacated or released prior to the date this
report was printed

BANKING

07/97 Account(s) averages moderate 6 figures Account open over 10 years
 Account(s) averages low 5 figures Account open over 10 years
 Account(s) averages low 4 figures Account open over 10 years
 (Same bank)Account(s) averages moderate 4 figures Account open over 5 years
 (Same bank)Account(s) averages low 4 figures Account open over 3 years
 (Same bank)Account(s) averages low 4 figures Account open over 10 years
 (Same bank)Account(s) averages low 4 figures Account open over 5 years

06/97 Account(s) averages low 4 figures Account open over 10 years
 Account(s) averages medium 4 figures Account open over 10 years
 (Same bank)Account(s) averages low 4 figures Account open over 10 years

Borrowing account
 (Same bank)Borrowing account
 (Same bank)Account maintained
 (Same bank)Account maintained
 (Same bank)Account maintained
 Account(s) averages medium 4 figures Account open over 5 years
 (Same bank)Account open under 1 year

(03/97) According to the company's Dec 31 1996 annual report, as of Jan 3 1997, the company has a new bank credit agreement as follows
 1) a 364-day revolving credit agreement with a group of 30 banks with allowable borrowings of \$290 0 million, and, 2) a five year revolving credit agreement with the same group of 30 banks, under which the company may borrow up to \$1 2 billion

In addition, the company has a commercial paper program under which up to \$1 5 billion of unsecured short-term notes can be issued. The program has been utilized for recent acquisitions. At Dec 31 1996 \$166 3 million was issued under this program, however, the Jan 7 1997 Thompson Minwax Holding Corp. acquisition was financed (approximately \$830 million) through its commercial paper program. Subsequently, in Feb 1997, the company issued \$400 0 million of debt securities to refinance a portion of the company's commercial paper outstanding.

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HISTORY

03/24/97

JOHN G BREEN, CHB-CEO+ THOMAS A COMBES, PRES-COO+
 JOHN L AULT, V PRES-CONTROLLER CONWAY G IVY, V PRES-CORP-
 PLANNING & DEVELOPMENT
 THOMAS KROEGER, V PRES HUMAN LARRY J PITORAK, SR V PRES
 RESOURCES FINANCE TREASURER & CFO
 ROBERT F KINNFY, V PRES- LOUIS E STELLATO, V PRES, GC &
 ADMINISTRATION SEC
 DIRECTOR(S) The officers identified by (+) and James M Biggar Leigh
 Carter, Daniel E Evans, William G Mitchell, A Malachi Mixon III, Helen
 O Petrauskas, Richard K Smucker, Robert W Mahoney, Duane F Collins and
 Curtis E Moll

 BUSINESS TYPE Corporation DATE INCORPORATED 07/16/1884

AUTHORIZED CAPITAL consists of 300,000,000 shares common stock \$1 par value and 30,000,000 shares serial preferred stock, without par value

OUTSTANDING CAPITAL STOCK As of Dec 31 1996, there were 171,831,1/8 common shares outstanding at a stated value of \$101,650,000 Stock with a cost of \$295,954 was held in treasury

Business started 1866 by Henry A Sherwin

STOCK OWNERSHIP This is a publicly held corporation with shares traded on the New York Stock Exchange under symbol "SHW" At Jan 31 1997 there were 11,887 common shareholders of record

The beneficial holders of more than 5% of the company's stock as of Dec 31 1996 were The Sherwin-Williams Company ESOP held 15.29% and, FMR Corp Boston, MA held 10.92% The executive officers and directors as a group, held 1.5%, with the balance held by the general public

ACQUISITIONS In Feb 1997, the company acquired all of the capital stock of Sumare Industria Quimica SA of Brazil Terms were not disclosed

Effective Jan 7 1997, the company acquired all outstanding shares of Thompson Minwax Holding Corp, Saddle River, NJ from Forstmann Little, New York NY and related affiliates The \$830 million purchase price has been financed through the issuance of commercial paper by The Sherwin-Williams Company which is supported by a new bank credit agreement

On Jan 15 1996 the company acquired the capital stock of Productos Quimicos y Pinturas, SA de CV, and related companies located in the Republic of Mexico The purchase price was undisclosed Productos Quimicos y Pinturas, SA de CV, will operate under the direction of Sherwin-Williams Automotive Finishes Corp a subsidiary of The Sherwin-Williams Company (Inc)

On Jan 10 1996, the company completed its acquisition of Pratt & Lambert United Inc On Jan 10 1996 a wholly-owned subsidiary of the company was merged into Pratt & Lambert, making Pratt & Lambert a wholly owned subsidiary of Sherwin-Williams In the merger, each outstanding share of Pratt & Lambert stock not owned by Sherwin-Williams was converted into the right to receive \$35.00 per share in cash The approximate purchase price was \$400 million

Also in 1996, the company completed the acquisitions of various domestic automotive and retail paint distributors, coatings manufacturers, and aerosol and liquid filling businesses

MANAGEMENT BACKGROUND

BREEN born 1934 1956, John Carroll University, BSBA degree, 1961, Case Western Reserve University, MBA degree 1967-1969 Clevite Corp 1969-79 Gould Inc executive vice president-industrial, fluid power, government systems and battery groups Active here since 1979 1979 president and CEO, 1980 also chairman, 1986 relinquished office of president

COMMES born 1942 1964, College of St Thomas, BA degree in accounting 1968-75 Gould Inc 1975-76 W I Grant Co 1976-79 Saks Fifth Ave, vice president and controller Active here since 1979, 1979 senior vice president finance and chief financial officer, 1986 president and chief operating officer

AULI born 1946 1968, Miami University, BS degree A CPA 1968-76 Ernst & Whinney Active here since 1976, 1976 financial analyst corporate, 1978 director of sales accounting, 1981 assistant corporate controller, 1987 vice president and corporate controller

IVY born 1941 1959-62 University of Chicago, 1964 Shimer College, BS degree in natural science, 1965, University of Texas,

graduate work 1968, University of Chicago Graduate School of Business, MBA degree, 1972, University of Chicago, MA degree in economics 1973-74 Halsey, Stuart & Co 1974-75 Winmill Securities 1975-79 Gould Inc director-corporate planning Active here since 1979, 1979 vice president-corporate planning and development, 1989 vice president and treasurer, 1992 vice president-corporate planning and development

KROFGER born 1950 1975, Cleveland State University, BA degree, 1976 Case Western Reserve University, MS degree 1967-78 and 1979 to present active here, 1979 corporate director of manpower planning, 1980 personnel director, paint stores group, 1987 vice president of human resources 1978-79 Abraham and Strauss Department Store

PITORAK born 1946 1969, Thiel College, BA degree, 1974, Cleveland State University, JD degree 1969 /0 General Motors Corporation 1970-73 Martin & Long Active here since 1973, 1978 assistant treasurer, assistant secretary and director of tax, 1983 controller, paint store group 1986 vice president-secretary, treasurer and general counsel, 1988 relinquished office of treasurer, 1991 senior vice president finance and chief financial officer, 1992 senior vice president-finance-chief financial officer & treasurer

KINNEY born 1935 1987-Feb 1994 active in this business as president & general manager, Transportation Services Division Feb 1994 elected v pres-administration

SIFILATO born 1950 1972 University of Texas, BS degree, 1977, University of Pittsburgh Law School, JD degree, 1979, Temple University, masters degree in taxation 1979-81 Touche Ross & Co Active here since 1981, 1991 vice president, general counsel and secretary

-----OUTSIDE DIRECTORS-----

BIGGAR, chairman and CFO of Glencairn Corporation

CARTER, retired, former president and COO of The B F Goodrich Company

EVANS, chairman and CEO of Bob Evans Farms Inc

MITCHELL, retired former vice chairman of Centel Corporation

MIXON, chairman, CEO and president of Invacare Corporation

PETRAUSKAS, vice president-environmental and safety engineering of Ford Motor Company

SMUCKER, president of The J M Smucker Company

MAHONEY, CHB-CFO & president of Diebold Incorporated

COLLINS, president and CFO of Parker Hannifin Corp

MOLL, CHB and CEO of MTD Products Inc

----- AFFILIATES -----

The following concerns are related through a stock ownership of 50% or less. Intercompany relations consist of merchandise and service transactions. The related businesses produce coatings or chemicals

FSW Paints Ltd, Dublin, Ireland

Sherwin Williams Saudi Arabia Ltd, Jeddah, Saudi Arabia

OPERATION

03/24/97 The company and its subsidiaries operate retail stores which specialize in paint painting supplies and wall coverings (59% - 1996), and manufacture and distribute coatings including paints, varnishes, lacquers and allied products (41%) Sells for cash 30% balance net 30 day and some 1% 10 net 30 and 2% 10 net 60 day, terms Has 200000 account(s) Retail store terms are approximately 40% cash with the balance generally on net 30 days with some 2% 10 net 60 days and revolving terms offered Brands include

Sherwin-Williams, SuperPaint Pro Mar, EverClean, Glas-Clad, Perma-Clad, Old Quaker, Con Lux Dutch Boy, Martin-Senour, Kem-Tone, Cuprinol, Acme, Western Automotive, Dupli Color and Krylon Sells to general public, manufacturers and painting contractors Territory United States and Canada, South America, Mexico, West Indies and Ireland Foreign sales less than 10% of consolidated in 1996 Business is moderately seasonal with paint sales heavier in the second and third quarters Some or all of the operations at this location have been registered to the international quality system standard--ISO 9001

EMPLOYEES 20,768 which includes officer(s) 1,200 employed here No significant seasonal variation in employees

FACILITIES Owns 450,000 sq ft in eighteen story brick building in good condition Premises neat

LOCATION Central business section on main street

BRANCHES As of Dec 1996, there were 2,156 paint stores located in 48 contiguous states Canada and Puerto Rico Manufacturing plants, which are operated directly or through subsidiaries were located in Anaheim, CA, Orlando, FL, Bradenton, FL, Baltimore, MD, Bedford Heights, OH, Chicago, IL, Crisfield, MD, Coffeyville, KS, Deshler, OH, Elk Grove, IL, Emeryville and Victorville, CA, Fountain Inn, SC, Garland, TX, Greensboro, NC, Morrow and Lawrenceville GA, Newark, NJ Richmond, KY, Kingston, Jamaica, Ontario, CA, Holland, MI, Fort Wayne, IN and Columbus, OH

SUBSIDIARIES The company has 27 subsidiaries, all but four are wholly-owned Of the 27, there were 18 foreign subsidiaries which are engaged in the manufacture of paints and chemicals in foreign countries

There are 9 domestic subsidiaries The domestic subsidiaries provide support for the parent by providing transportation and real estate services

There are intercompany merchandise and service transactions between the parent and subsidiaries on regular terms The parent does have an agreement with its real estate development subsidiary that requires the parent to make payments to the subsidiary in amounts sufficient to maintain the subsidiary's fixed charge coverage at specified minimum levels

A list of the subsidiaries is on file at the Cincinnati, OH office of Dun & Bradstreet
08-28(9Z7 /001) 00000 012678678 NH

FULL DISPLAY COMPLETE

AGREEMENT OF SALE

This Agreement, made this 20th day of July, 1916, by and between The Sherwin-Williams Company, a Corporation duly authorized under the Laws of the State of Ohio, hereinafter called the First Party, and The Ozark Smelting & Mining Company, also a Corporation organized under the Laws of the State of Ohio, hereinafter designated the Second Party.

WHEREAS, the first party is desirous of acquiring the undertaking and the property of the second party.

NOW, THEREFORE, in consideration of the terms and conditions hereinafter set forth, it is agreed -

First: The second party shall sell and the first party shall purchase the undertaking of the second party, which expression shall be deemed to include all the buildings, lands, hereditaments, goods, chattels, moneys, credits, debts, bills, notes, goodwill, things in action, contracts, agreements, securities, and all other assets whatsoever and wheresoever of the second party.

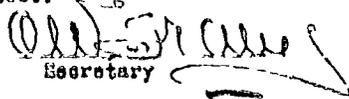
Second: As a part of the consideration for the said sale, the first party shall undertake, pay, satisfy, discharge, perform and fulfill all the debts, liabilities, contracts, engagements and obligations of the second party whatsoever and shall indemnify the second party against all actions, proceedings, claims and demands in respect thereof.

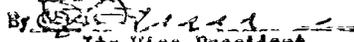
Third: As a further consideration for the said sale, the first party shall pay to the second party the sum of four Hundred Eighty-seven Thousand Eight Hundred Forty-Six Dollars and Twenty-four cents (\$487,846.24) in cash.

Fourth: The said sale and purchase hereby agreed to be made shall be completed as of the first day of January, 1916, last, and the aforesaid cash consideration shall be paid and satisfied immediately on the signing of these presents, and the second party shall execute and do all assurances and things as shall reasonably be required by the first party for vesting in it the said premises.

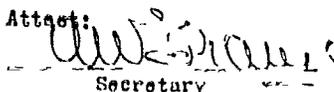
IN WITNESS WHEREOF, The parties hereto have caused this Agreement to be executed in duplicate and their respective corporate names to be hereunto subscribed by their proper officers thereupon duly authorized and their respective corporate seals to be hereto affixed and attested by their Secretaries respectively the day and date above written.

Attest:


Secretary

THE SHERWIN WILLIAMS CO.
By 
Its Vice-President

Attest:


Secretary

THE OZARK SMELTING & MINING COMPANY
By 
Its Vice-President.

CERTIFICATE OF REDUCTION OF CAPITAL STOCK
OF
THE OZARK SMELTING & MINING COMPANY.

TO: THE SECRETARY OF STATE, COLUMBUS, OHIO:

The Ozark Smelting & Mining Company hereby certifies that at a meeting of the Directors of said Company held on the 20th day of July, 1916, the written consent of the persons in whose names the capital stock of said Company stood on the books of said Company, having been first obtained, the capital stock of said Company was reduced from Two Hundred Thousand Dollars (\$200,000.00) to Five Thousand Dollars (\$5,000.00), divided into fifty (50) Shares of One Hundred Dollars (\$100.00) each, and new Certificates in accordance therewith directed to be issued on surrender of the original Certificates.

In witness whereof, The Ozark Smelting & Mining Company has caused its name to be hereto subscribed by its Vice President and Secretary and its corporate seal hereto affixed, this 20th day of July, 1916.

THE OZARK SMELTING & MINING COMPANY,

By Geo. A. Martin, Vice President.

By A. W. Frank, Secretary.

(CORPORATE SEAL)

AGREEMENT OF SALE

This Agreement, made this 30th day of July, 1916, by and between The Sherwin-Williams Company, a Corporation duly authorized under the Laws of the State of Ohio, hereinafter called the First Party, and The Ozark Smelting & Mining Company, also a Corporation organized under the Laws of the State of Ohio, hereinafter designated the Second Party.

WHEREAS, the first party is desirous of acquiring the undertaking and the property of the second party.

NOW, THEREFORE, in consideration of the terms and conditions hereinafter set forth, it is agreed -

First: The second party shall sell and the first party shall purchase the undertaking of the second party, which expression shall be deemed to include all the buildings, lands, hereditaments, goods, chattels, moneys, credits, debts, bills, notes, goodwill, things in action, contracts, agreements, securities, and all other assets whatsoever and wheresoever of the second party.

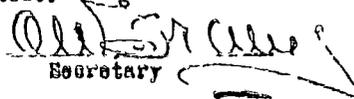
Second: As a part of the consideration for the said sale, the first party shall undertake, pay, satisfy, discharge, perform and fulfill all the debts, liabilities, contracts, engagements and obligations of the second party whatsoever and shall indemnify the second party against all actions, proceedings, claims and demands in respect thereof.

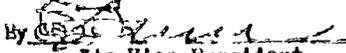
Third: As a further consideration for the said sale, the first party shall pay to the second party the sum of Four Hundred Eighty-seven Thousand Eight Hundred Forty-Six Dollars and Twenty-four cents (\$487,846.24) in cash.

Fourth: The said sale and purchase hereby agreed to be made shall be completed as of the first day of January, 1916, last, and the aforesaid cash consideration shall be paid and satisfied immediately on the signing of these presents, and the second party shall execute and do all assurances and things as shall reasonably be required by the first party for vesting in it the said premises.

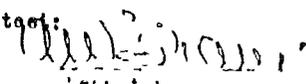
IN WITNESS WHEREOF, The parties hereto have caused this Agreement to be executed in duplicate and their respective corporate names to be hereunto subscribed by their proper officers thereupon duly authorized and their respective corporate seals to be hereto affixed and attested by their Secretaries respectively the day and date above written.

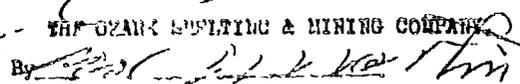
Attest:


Secretary

THE SHERWIN WILLIAMS CO.
By 
Its Vice-President

Attest:


Secretary

THE OZARK SMELTING & MINING COMPANY
By 
Its Vice President.

OPERATING AGREEMENT.

This agreement made at Cleveland, Ohio, this 20th day of July, 1916, by and between The Sherwin-Williams Company, a corporation duly organized under the laws of Ohio, hereinafter called the First Party, and The Ozark Smelting & Mining Company, also a corporation organized under the laws of Ohio, hereinafter called the Second Party:

Witnesseth:

That the first party hereby engages the second party to operate and manage its mines and mills at Magdalena, New Mexico, and its smelters at Coffeyville, Kansas.

That the second party in connection with its operation of said property is hereby authorized subject to approval of the first party to make whatever expenditures are in the judgment of the second party necessary in the conduct of the business, for labor, services, materials, supplies, and expenses of every kind, it being understood that the first party will provide the necessary funds for such disbursements.

That in consideration of said operation and management by the second party, the first party will pay as soon after the close of the year's business as the figures are available, one (1) per cent of the net profits earned during the year of this contract.

It is mutually agreed that this contract is to continue until sixty days' prior notice of cancellation by either party.

IN WITNESS WHEREOF the parties have hereto set their hands the day and year first above written.

Attest:

(Signed) A. W. Frank
Secretary

THE SHERWIN-WILLIAMS COMPANY

(Signed) S. P. Fenn
Vice-President

Attest:

(Signed) A. W. Frank

THE OZARK SMELTING & MINING CO.

(Signed) Geo. A. Martin
Vice President.

CITY OF CLEVELAND)
CUYAHOGA COUNTY) SS.
STATE OF OHIO)

I, Luther H. Schroeder, a Notary Public in and for said County, do hereby certify that on this 23rd day of August, 1916 I administered to Mr. S. P. Fenn the oath of office required by Law, as Director of The Ozark Smelting & Mining Company.

WITNESS my hand and official seal this 23rd day of August, 1916.


Notary Public

OPERATING AGREEMENT.

This agreement made at Cleveland, Ohio, this 20th day of July, 1916, by and between The Sherwin Williams Company, a corporation duly organized under the laws of Ohio, hereinafter called the First Party, and the Ozark Smelting & Mining Company, also a corporation organized under the laws of Ohio, hereinafter called the Second Party.

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IN WITNESS WHEREOF the parties have hereunto set their hands the day and year first above written.

Attest.

(Signed) A. W. Frank
Secretary

THE SHERWIN-WILLIAMS COMPANY

(Signed) S. P. Fenn
Vice-President.

Attest.

(Signed) A. W. Frank

THE OZARK SMELTING & MINING CO.

(Signed) Geo. A. Martin
Vice-President

CITY OF CLEVELAND)
CUYAHOGA COUNTY) SS.
STATE OF OHIO)

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WITNESS my hand and official seal this 23rd day of August, 1916.

L. H. Schroeder
Notary Public.

SM018

SMELTING & MINING CO.

MANUFACTURERS

LEAD AND ZINC PIGMENTS

EMERALD LITHOPONE

LEAD OXIDES - CHEMICALS AND COLORS

PLANT OFFICES - CLEVELAND OHIO

MOBILE - COFFEEVILLE KANSAS

EL PASO - MACDALENA, NEW MEXICO

6,

101 Prospect Ave., N.W.
CLEVELAND, OHIO

May 11, 1970

Mr. V. A. Hollis,
Assistant Vice President -
Financial Operations
The Sherwin-Williams Company
101 Prospect Avenue, N.W.
Cleveland, Ohio 44101

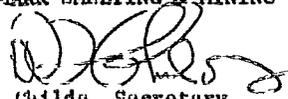
Dear Mr. Hollis:

It is the purpose of this Letter of Agreement to confirm our understanding that the Operating Agreement between The Sherwin Williams Company and The Ozark Smelting & Mining Company, dated the 20th day of July, 1916, is hereby forever canceled and that said date of cancellation shall be as of September 1, 1969.

If you agree with the terms of the above, I would appreciate your signing and dating the enclosed copy of this letter and returning it to me at your earliest convenience.

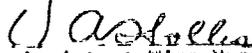
Very truly yours,

THE OZARK SMELTING & MINING COMPANY


A. D. Childs, Secretary

AGREED TO BY:

THE SHERWIN-WILLIAMS COMPANY

By 
Assistant Vice President
Financial Operations

Date

5/11/70

SWM019

Lithopone Plant At Ozark Unique

The Coffeyville installation of the Ozark Smelting and Mining Co. is one of the most modern lithopone plants in the United States. The principal reason for building this plant in Coffeyville was due to the large amount of zinc sulphate that is used in the manufacture of lithopone, also the availability of barytes ore and natural gas for fuel purposes.

The output of the plant is around 28,000 tons per year.

The product is shipped to practically every state in the union and large tonnages are exported to foreign countries.

This product, besides being used as a paint pigment, is used by the rubber industry, and other manufacturers.

The three plants cover approximately 53 acres of ground and in full operation will handle approximately 200,000 tons of raw material each year. The plant was completely mechanized in 1945 and all of the latest equipment for the handling of material was installed. This consists of front end loaders, fork trucks, crane, shovel, and trucks for hauling the material.

Opened in 1906

This plant has been in continuous operation since 1906, with the exception of two periods of about 90 days each when the plant was down. There are 400 to 425 employees when the plant is in full operation.

Charles E. Deeds is superintendent of the plant.

The forerunner of the Coffeyville leaded zinc oxide plant was first constructed and put in operation at West Plains, Mo. It was later acquired by the Sherwin-Williams Co. and moved to Joplin, Mo. In March of 1905, it was decided to move the plant to Coffeyville. The principal reason for this move was the cheap industrial gas that was available at that time. Large quantities of fuel gas are used for various purposes in the manufacture of paint pigments.

Construction work on the smelter was started in October of 1905 and the first smelter unit was completed and in operation in March of 1906. Immediately after the starting of the smelter, it was decided to double the capacity. This work was completed and there

were numerous additions to the oxide smelter up until 1926.

Not Truly Smelter

The smelter, as it is generally called, is not truly a smelter, but a plant for the reduction of lead and zinc ore into a so-called paint pigment. Lead and zinc ores are used in large quantities, and these ores combined with anthracite coal and flint chat make up the furnace charges. The furnace charges are laboratory controlled so that a certain percent of lead, zinc, iron and inert are included in each charge to give good color and correct analysis to the leaded zinc oxide as a finished product. Anthracite coal is used as a reduction agent as it contains a high carbon content and is low in volatile matter so that it does not smoke and discolor the white pigment. The annual consumption of anthracite coal on full operations is approximately 50,000 tons per year.

Joplin chat is used in the furnace charge as a fluxing agent to keep the molten material from running together and forming a solid mass. Approximately 25,000 tons of this material is used per year. There are other raw materials used in smaller quantities, such as non ore which is shipped in from Colorado, and various other points. The lead and zinc are obtained from many different sources. Some of it comes from the western states, some from Mexico, and considerable quantities from the tri-state district of Missouri, Kansas and Oklahoma.

The product of this operation is known as leaded zinc oxide pigment. It is a principal pigment for all outside paint formulations. The product is shipped in large quantities to paint factories in practically every state in the union, or is exported to Canada, Mexico, and various other foreign countries. The annual output of this product

is approximately 25,000 tons. Addition in 1926

In 1926, the company decided to construct a zinc sulphate plant. This plant was put in operation in 1927 and has been in continuous operation since that time. Zinc sulphate is used in large quantities by the rayon and mining industries, agriculture and soil treatment and in insecticides.

The basic raw materials for this product are zinc and sulphuric acid. The zinc ore is leached with sulphuric acid and water and after the zinc is in solution, purification agents are added to remove practically all of the impurities, such as iron, nickel, cadmium, etc. The liquor is filtered through filter presses and is then put through a large rotary kiln under intense heat to drive off the excess water and solidify the zinc sulphate. After drying, the product is pulverized and packed for shipment.

This product is also shipped to practically every state in the union and also exported to various countries.

Large quantities of the zinc sulphate liquor also is used in the manufacture of another pigment—lithopone. Output of zinc sulphate plant is approximately 20,000 tons per year.

In 1930, the company decided to construct a plant for the manufacture of lithopone which is a white paint pigment used primarily for inside paint. The raw materials used in the manufacture of this product are principally barytes ore (barium sulphate), coal and zinc sulphate. A large proportion of the barytes ore used is bought in Missouri. The annual consumption of barytes ore in the lithopone plant is 25,000 to 30,000 tons per year. The barytes ore and coal are mixed together and burned in a large furnace at high heat, the barium sulphate being reduced to water soluble barium sulphide. The zinc sulphate liquor is then added to the barium sulphide liquor, and after passing through a filtration, drying and calcining process, the end result is a white pigment.

Russia has a frigid climate, but under government domination its shoe factories put out only 270 million pairs of shoes a year, as against 473 million pairs in America. In Russia that is 104 pairs of shoes a year for each person, in the United States 3.05 pairs.

ACTS

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A Brief History of The Ozark Smelting & Mining Company's Activities
From 1909 to 1944, inclusive

At the time of Mr. Padgett's writings on Ozark Smelting & Mining Company's history, R. V. Brown was the local superintendent, the plant, as an auxiliary was still young, having at the time only two blocks of oxide furnaces, and, during his incumbency the only expansion in manufacture being the installation of the Lime-Sulfur plant, technical guidance for which came from Mr. Bolton at Cleveland.

In 1911 Mr. Brown was called to Chicago and the responsibility of management became the duty of Mr. W. E. Cortis. For the next few years there followed a period of profitable expansion, both in the materials production and technical refinement in the leaded-zinc oxide department. Throughout the years and up to the present time the handling of the plant, personnel, selection and allocations of men and labor problems in all departments of this auxiliary has been under the able guidance of one general foreman, Mr. R. F. Fitzpatrick.

Technical guidance has varied through these years and for the most part, been a responsibility of the superintendent in charge. Time and experience in the paint manufacturer's field had established the necessity for low and controlled zinc sulfate content of our product, and, to make this possible, a washing and drying unit was built to maintain this control, operation beginning in 1912. This new unit was engineered by Mr. Macklind and fabricated through the supervision of Mr. Deck. The leaded-zinc oxide, washed and dried, continued to be an active department unit for several years, an additional dryer having been added in 1925, and, it was not until 1930 that other refinement in the pigment manufacture made it unnecessary to further operate.

The demand in the pigment trade for more and more of our excellent product, made it imperative that the factory be enlarged to satisfy the demand. Accordingly, Block "C" was built in 1915, and, to supply the necessary roasted ore for these additions, Cuprous kiln No. 1 was built and put into operation the following year. The multiple hearth McDougall kilns, inadequate in tonnage, costly to operate and quite old and expensively maintained, were dismantled and Cuprous No. 2 kiln built, operation beginning in 1918.

In 1916, a fire, unknown in origin, destroyed the Lime-Sulfur department. Subsequent production of this insecticide was established elsewhere in the East.

Throughout the years, the trend of the paint formulator was toward leaded zinc oxide having appreciable amounts of basic lead sulfate, and, to satisfy these demands and to simultaneously reduce the formation of zinc sulfate in our product, a gradual evaluation of furnace design ensued.

Even before the erection of block "C", in 1915, the long, massive brick trails leading from the original furnace installations were dismantled, this to lessen the zinc sulfate produced, to more quickly dissipate the heat, to favor the formation of basic lead sulfate and to extend the operative period of the furnaces, which heretofore had been shortened by the erosive action of lead compounds on the brick work of the furnaces.

In 1915, when Block "C" was built, the combustion chamber was modified to a steel tower instead of the former massive brick work, and later when Block "D" was built, further refinements were instituted on Block "C", all for the final result to increase the basicity of the finished product, technically and to reduce operative and replacement costs, materially. With the ever increasing demand for our product, Block "D" was built in 1926, new in design and with individual furnace control. So well did it meet the needs in pigment quality, that the following year Block "C" was remodelled upon its lines; basicity was sure and controllable and the life of the furnaces extended indefinitely. Coppeau kilns No. 3 and No. 4 were also built in this year to meet the demands for more roasted ore for the extended output of finished oxide.

1926 ushered in a new period of Company development in heavy chemicals. Zinc sulfate is needed in the manufacture of lithopone and it was in this year that operations began to supply the Chicago lithopone factory and to be direct manufacturer to the insecticide and textile trades. This new addition to Coffeyville activities was supervised by Mr. Deeds, who in 1927 became the local superintendent, Mr. Corts having been called to the Chicago auxiliaries.

Under Mr. Deeds guidance much was done in technical observation of leaded-zinc oxide manufacture and installation of scientific instruments for its control. Early in 1936 Mr. Deeds was transferred to Chicago, to be succeeded by Mr. Thomas who has held the superintendency to date.

In 1930 the Company found fit to transfer the manufacturing of lithopone to Coffeyville, thereby knitting closer the coordination of control of its raw materials to the finished pigment, under the direction of Mr. Saunders as a consultant and Mr. Pascal as superintendent of operative procedures. This management was uninterrupted until September of 1940 at which time Mr. Pascal was called to Cleveland and the Linseed Oil Auxiliary, and Mr. Do not became superintendent of the lithopone plant. The lithopone plant here presented itself as a composite of all that could be had in modern design and economy. During its existence here, all the latent pigment needs have been produced as well as supplementary products such as double strength lithopone and, in a small way, zinc sulfide. Many of the problems attending the exploration of these products were studied and procedures adopted thru the use of the pilot plant. The pilot plant still continues to be the forerunner of expanding interests of the Company into new fields; today the production of indium is under surveillance, tests and adaptations for a lucrative yield of this precious metal.

The production of cadmium metal, also, became a profitable by-product of the zinc sulfate department with the advent of lithopone manufacture here. It was also in 1930 that Block "A" was permanently discontinued as a manufacturing unit having become completely obsolescent and unfit for rebuilding.

Expansion in all departments necessitated the institution of more roasting capacity of ores and to meet these needs, two morehoff

factories were installed in 1967, equipped in the next several years with Central Apparators for dust, eliminators, mixers to the country, the end saving of water valves, otherwise 1976.

In the early years of this auxiliary's activities, power was obtained through our own power plant but with ever increasing demands on power for the Government's expansion in production units, it became expedient in 1975 to buy electrical power from outside agencies, a setup which exists to this day.

Smelter Department
Coffeyville, Kans.

December 28, 1935

Dec. 28
1899

36 YEARS IN SERVICE

Dec. 28
1935

PREFACE

Recently while rummaging through some of my old papers, I found the following diary, written from 1897 to 1903 inclusive, covering the history of what later became the present Ozark Smelting & Mining Co.

These notes have been misplaced for many years. For fear they might be lost again and inasmuch as I am the only one now with the Sherwin-Williams Company that started with the original Zinc Oxide Company - the only one, therefore, that is in a position to write the early history of this business -- I shall endeavor to do so, thinking that perhaps it may be of interest to some who are now with the Company.

However, to keep the article from being too voluminous and due to the fact that this writer has been so closely identified with the progress of the business -- 1897 to 1903, including its many "ups" and "downs" -- I feel there would be so many "I's" in the story that it would sound as though I were either very much conceited or merely trying to advertise myself; therefore, I am omitting many, many of the more or less interesting details.

From 1897 to 1935 is quite a span of years in anybody's language; nevertheless, this article brings back to my mind quite vividly the many things that have taken place as mentioned in the narrative.

It will be noticed that the narrative brings the story down only to 1903. However, it is my present intention to bring it on down to date at some future time. Just when depends largely on circumstances over which I have no control.

/s/ E. B. Platt

EBP:rk

THE BEGINNING

In 1897 the writer was living in Howell County, Missouri. This county is located in the south central part of the state. In the latter part of that year two men, James Forrester and Chris Byers moved to this section of the state, settling on and homesteading a quarter section -- eighty acres each--of Government land. Being brothers-in-law, with their land lying side by side, they more or less pooled their interests.

On this land there was a rather peculiar looking place, in this respect: on a spot of some four or five acres the surface was thickly covered with iron ore of a very peculiar formation. In fact, so peculiar that it was quite noticeable and created considerable comment among the natives. It so happened that Forrester and Byers were from the Joplin mining district and, therefore, knew something of and were more or less interested in the mining game.

After building their houses, getting settled down, etc., and hearing the natives' stories regarding the above-mentioned spot, they, too, became very much interested and after examining the place, decided to start prospecting for anything they might find.

After taking stock of their resources, however, they found they did not have sufficient funds to prospect to any appreciable extent; whereupon, they decided that one of them should go back to Joplin and try to get someone to finance the proposition. Byers finally made the trip and apparently had no trouble in getting a man with some money interested to the extent that he came back with him. After going over the property, the newcomer agreed to finance the project and finally made arrangements with Forrester and Byers to do the prospecting. After getting tools, etc., and getting them well started on the job, he returned to Joplin, agreeing to return in a short while and pay them for their labor.

After working some four or five weeks without receiving any pay or hearing anything further from their partner, Byers and Forrester suspended operations, as they had exhausted all their own meager resources and could not continue.

Unknown to them, however, they had already discovered ore, but, not being familiar with carbonate ores, they did not recognize it as such, since in the Joplin district they had mined only zinc blende and lead sulphide (galena). Nevertheless, the weight of the material told them, in a measure, that it had some value; therefore, they brought a sample of it down to the nearby Post Office one day when a Mr. W. S. Gordon happened to be there.

Mr. Gordon was prospecting another property some four or five miles northwest of the Forrester and Byers place; consequently, being more or less familiar with this type ore, he readily recognized its value and, inasmuch as Forrester and Byers' partner had never returned or paid them for their labor, Mr. Gordon, apparently, had a perfect right to bargain with them for the prospect. This he did, finally getting the

lease, including the prospect, for almost nothing. And the mine turned out to be a good producer, lasting several years and turning out thousands of tons of approximately 35% lead-free carbonate ore.

In a short while the mine was developed to the extent that they were getting out quite a tonnage of ore. It was then that Mr. Gordon began looking around for a market and, after shopping around for some time, decided to sell to the New Jersey Zinc Company, located at Mineral Point, Wisconsin.

In eight or ten months this ore, owing to its low metal content, declined in price to the extent that it was no longer profitable to mine, considering the fact that the mine was twenty miles from a railroad and that it was necessary to haul the ore to this railroad by wagons over very poor roads at a cost of \$2.50 per ton. So Mr. Gordon decided that, if he and his mine were to survive, it would be up to him to find some other means of disposing of his product. It was then he conceived the idea that it might be possible for him to make zinc oxide and, to prove his theory, he decided to build an experimental furnace.

This decision was reached after Mr. Gordon had made several trips to Mineral Point. The trips were made, ostensibly, to get the price of his ore ironed out. But, in fact, they were for the purpose of getting as much information as possible, together with a mental picture of the factory; and, in the meantime, through some hook or crook, he obtained a blue print of New Jersey's Mineral Point Plant. It later proved, however, to be a print of an old obsolete type furnace; nevertheless, it was of considerable value in building the factory. Soon after getting this information, blue prints, etc., he made a final decision to build the experimental furnace.

Right here is where this writer entered the picture on Dec. 26, 1899, at the grand wage of one dollar per day. The Company being badly in need of someone with some mechanical and engineering ability, and no one else, apparently, being available, I landed the job.

Mr. Gordon, in the meantime, had taken his brother-in-law, Frank Gregg, as a partner in the business; the Company, therefore, became known at this time as the G & G Mining Company.

This experimental furnace was a unique job, as follows:

Furnace was built of stone - brick not being available. Mud was used for mortar.

The grates were taken from an old sand, or silt.

The motive power was a so-called wheel road scraper, turned upside down, with a axle bored in one of its wheel spokes and a wooden peg inserted for a handle, which, of course, was rotated by hand--however, not by this writer.

The blast fan, which was the only fan used, was taken from a small water well drilling rig, and the fan belt was run off the scraper wheel to the fan.

The pipe line was made of common 8-inch stove pipe, using muslin bags very similar to what we now use, only smaller and shorter.

Fuel was charcoal made on the ground.

There were no buildings --everything simply being out in the open.

Well, to make a long story short, a product was made that, by a long stretch of imagination, could perhaps be called zinc oxide, however, be that as it may, this was the beginning of the zinc oxide game for this company.

Immediately after this experimentation was completed, Gordon began looking around for enough financial backing to build a zinc oxide factory on a commercial basis and, strange to say, he succeeded and in a very short while, too. However, he was a "plenty" good salesman, and that's just what he was--a shoe salesman.

In August, 1900, ground was broken for this plant at West Plains, Missouri, a town of approximately 5,000 population, located on the Frisco Railroad, some 125 miles southeast of Springfield, Missouri.

At this time the writer was put on a salary of \$40.00 per month -- working 12 hours per day, 365 days per year.

The title of the concern now was the G & G Zinc Oxide Company and it was a one-block job, using ore from Gordon's mine and coal from the Bernice Mine, Russellville, Ark. The factory did not have electric lights, instead, only lanterns and so-called miners' torches were used. Remember, this was a 24-hour-a-day plant.

The first carload of zinc oxide manufactured at this plant, suitable to be put on the market, was shipped to the Louisville Paint and Color Company, Louisville, Kentucky.

The capital for this plant was furnished by several local men, but it proved to be insufficient for the continuation of the business, considering the inexperience of everyone connected with the concern and the doubtful wisdom of the management. Thereafter, after operating more or less periodically for some six or eight months, and with very poor success, it finally suspended operations for good -- everyone connected with the concern being practically "broke".

Nevertheless, Gordon's head was like an "angle worm", that is, working all the time, and in a short while he had found another "Angel," namely, the W. N. Matthews and Sons Company, a firm of brokers of St. Louis, Missouri, with considerable capital to back him in his new factory.

In August, 1901, ground was broken for the Joplin plant. The title of the concern was The Ozark Zinc Oxide Company. This plant was also a one-block job to start with, but in 1907-8 the second block was built. There were several changes made on the #1 block compared with the West Plains plant, especially in the baghouse distributing system and the pipe line.

The West Plains plant had the so-called New Jersey overhead type, distributing system--this was changed to our present type. The West Plains pipe line was also New Jersey's type; that is, a comparatively small round line with the exhaust fan located in its center, half way between furnace and baghouse, the line entering the baghouse at the top of the room instead of at the bottom, as it does now. As stated above, the distributing system being at the top of the room, it was necessary, of course, to fasten the bags on the system at the top instead of at the bottom. Just try to imagine anyone going to the top of the room, in the gas and heat, each and every time it was necessary to put on a new bag, or to rehang an old one.

The pipe line was changed to the so-called "Goose-Neck" type, patterned after the pipe line of the Picher Lead Smelter at Joplin. Mr. Gordon and Col. Bartlett, one of the big shots of the lead plant, were great friends and Mr. Bartlett rendered a lot of valuable assistance in shaping up this #1 block. The #1 furnace was equipped with a pipe line very similar to what we are now using; otherwise, the two blocks were identical except the ash pits.

The West Plains furnace and the #1 furnace at Joplin did not have ash pits suitable for putting water under the grates; consequently, the grates warped and burned out so badly that the replacement cost was one of the big items of expense. Averaging around 50 grates per block per month and with the grates costing approximately \$10.00 each, it is very easy to see that this was the "neck of one of our bottles". However, this did not seem to bother Mr. Gordon in the least, as he apparently took it for granted and let it go at that.

It was my thought, however, that something could and should be done about it and I so advised Mr. Gordon, explaining to him that inasmuch as the grates warped under heat without breaking, it was my opinion that they could be straightened in a like manner and that I had in mind making a rig that would get the job done at practically no cost, whatever, to the Company.

(If badly warped grates are not removed from the furnaces as soon as discovered, they will be completely destroyed, which will, in turn, cause a condition that is very detrimental to the grade and color of the finished product. This condition will also be the indirect cause of high unrecorded slag losses; therefore, it is imperative that the grate surface be kept as nearly flat and level as practical. And, obviously, this cannot be done with warped grates in the furnaces, hence, the important need of some method or means of straightening them, if and when they do warp.)

Notwithstanding my arguments and belief in the matter, all the satisfaction I received from several of these interviews was a "headache." In substance Mr. Gordon finally said for me never to mention this to him again, that he was too busy to be bothered with this sort of thing; besides it was a silly idea--and that anyone at all familiar with cast iron should know that our cast iron grates, once they warp, could never be made straight again in any circumst uses.

Nevertheless, being just a Green country lad and not knowing that the grates could not be straightened, I made the rig and straightened them!

However, with Gordon feeling as he did regarding this matter, I decided to wait until he was away on one of his farical "sprees" - for which he somewhat was noted - before asking the straightener. In a short while the expected happened and while he was away, I made the rig and had it working in good shape when he returned. To show how appreciative he was, although he saw the grates being straightened almost daily from that time on, he never as far as to acknowledge the straightener's worth or, in fact, to mention it to me in any way whatever. However, he was like that!

(In 1988 we are still using this typo straightener and, obviously, its tangible, as well as intangible saving has born of inestimable value to the Com, any.)

When it came time to build the #2 block, it was my suggestion that, inasmuch as the grate cost had been so high on the other blocks, we make water tight ash pits and try putting water under the grates in the hope that it could eliminate, at least, a part of this trouble and expense.

Mr. Gordon had the erroneous idea--and in this he was backed up by the Company's chemists--that any moisture put in the furnace was never entirely eliminated, and therefore, in the end was bound to kind up in the finished product. And, inasmuch as the SO₂ was already too high in the oxide (It was the general opinion of Mr. Gordon and the Company chemists that moisture originating in the furnace was the direct cause of SO₂ in the oxide), he did not think it advisable to take any chances by putting water under the grates. For the same reason, water had never been put in the furnace charges.

Nevertheless, after several rather heated arguments, he finally consented to making the ash pits as suggested; however, very reluctantly.

When the block was completed and put in blast, water was put under the grates and, to Mr. Gordon's and the chemist's great surprise, the SO₂ did not increase in the oxide. This being the case, in a short while water was put in the furnace charges, also, and still the SO₂ did not increase. So that argument was settled once and for all, as this was fairly conclusive proof that moisture in the furnace had nothing whatever to do with SO₂ in the finished product.

Not only did water in the ash pits reduce the net grate loss at least 50%, but the addition of approximately 10% water to the charger made an even greater saving, in that the charges burned much better which, in turn, lowered the metal content of the slag and made for greater production.

(In order to keep the story within certain brief limits, there is room here for only the few aforementioned changes and improvements; they are more or less typical, however, of numerous incidents that were continuously coming up, especially, in the earlier days of this business.)

(Perhaps it will not be out of place for me to say that up the year, 1904, there had been no one connected with the Company who had had any previous training or experience in the manufacture of zinc oxide. It was quite obvious, therefore, that practically everything we were doing was by trial and error methods and, without any precedent to go by whatever, it goes without saying that the "hits" were few and far between compared with the "errors". While the school of experience may charge high tuition, nevertheless, in the circumstances, if we were to progress, there was no other way for us to learn!)

When #2 block was finished, a small generator was installed and, for the first time, we had electric lights.

This plant was operated on ore from Gordon's mine and that carbonate and silicate that could be picked up in the Joplin district, using Arkansas coal from the Russellville and North Spadra fields.

The factory did not have much luck as a money-maker, in fact, just about the same as its predecessor, the West Plains plant. Its financial backers, however, were considerably stronger and, therefore, it lasted longer. But, apparently, any well can be pumped dry if it is pumped fast enough and long enough and that's just what happened here.

So, after worrying along, apparently going from bad to worse for some two or two and a half years and practically breaking its backers, Mr. Gordon sold the plant to the Sherwin-Williams Paint Company who retained him as manager, but sent down a man by the name of H. E. Galloway as assistant manager.

When the Sherwin-Williams Company purchased and assumed control of the business, it was placed under the general management of Mrs. G. A. Martin, whose headquarters were in Cleveland, Ohio, the home office of the parent company.

(Mr. Martin impressed me at the time, 1904, as being an outstanding, high-type, shrewd, and capable business man — a great leader with a commanding personality.

Obviously, one of the factory's great needs at the moment was an experienced and capable local manager with the ability to build up an operating organization that could and would make the most of what we had to work with. It was my opinion that, with Mr. Martin in control, the Company's interests were in good hands and that, in the end, this matter could be well taken care of.)

The writer at this time being Stationary Engineer, Master-Mechanic, Superintendent of Construction, and what-ave-you, at the fine salary of \$75.00 per month, was still working 12 hours per day 365 days per year, with no thought of a vacation.

Mr. Galloway, in my opinion, was a fairly capable man and one of the finest fellows to meet personally, that I have never been my pleasure to come in contact with. Nevertheless, he made what proved to be -- for him -- a serious mistake, in this way: he "fell" for Mr. Gordon, instead of getting in the game and asking at least an effort to get the organization together, for a "blind-man" would have been able to see that this was one of the factory's greatest needs.

In my opinion, Mr. Gordon was purely a salesman and promoter; nevertheless, he deserves no small amount of credit for his vision -- together with his initiative and ability to inter at those financially able and willing to back him -- practically an unknown -- to the extent that he was able to build and, after a fashion, operate large zinc oxide factories.

As an operating manager, however, it was obvious that he was entirely out of his elements. Apparently, his very nature rebelled against the ordinary routine of factory operation. Consequently, in lining up with him, it was also quite clear that Mr. Galloway jockeyed himself into an untenable position with the Com any had my guess was, at the time, that, in the not too distant future, it could be just too bad for him.

Among many other things, the Joplin plant, with only five acres of land and no more available, was very poorly located; that is, right down in a gulch some two miles west of Main Street on what would be East Eleventh, if half street were extended. Therefore, everything, considered, the idea of building this plant any larger was entirely considered, the idea of building this plant any larger was entirely out of the question.

This being the case the Company decided to build a new factory, and Coffeyville, Kansas, was selected as the place to build. No doubt, this decision was made, almost solely, from the fact that Coffeyville and its surrounding territory, at the time, was supposed to have, practically an unlimited and overplentiful supply of natural gas. The Company obtained a very advantageous gas contract; that is, \$4 per thousand feet for two feet five joints and by gas for the next five years. As stated above, with everyone in these parts, including Mr. Gordon, being of the opinion that the supply was unlimited and inexhaustible, there was no thought at the price of what commodity could ever go much higher; consequently, Mr. Gordon did not consider it worth while to obtain a long-term contract.

This final advantage, together with the fact that the available supply of carbonate and silicate ores was getting inadequate for the Com, any's needs, made it unnecessary that they use more or less sulphide

ores and, before this type ore could be used, it was necessary that it be de-sulphured (roasted). To do this and meet competition, it was very imperative that the Company have a good and sufficient supply of cheap gas; hence, the decision to build at Coffeyville. And in August, 1905, ground was broken for the Coffeyville plant.

The writer came to Coffeyville January 6, 1906. There certainly was a lot of activity in and around this town at the time and, "believe it or not," there seemingly was more and deeper mud here than any place in the world - bar none. It was so deep at the smelter grounds that it was necessary for everyone to wear rubber boots in order to get around. In fact in my opinion, everything considered, this was a "helluva town" - only two automobiles were; there was very little use for them, however, as there were no roads suitable to drive them on and no pavements, except the Plaza block, and very little sidewalk - just mud everywhere and plenty of it.

Mr. Gordon came over here as manager, but I never knew what finally became of Mr. Galloway, as I never saw him again after I left Joplin.

The title of the business was changed at this time to The Ozark Smelting and Mining Co.

"A" block was completed along about the middle of 1906 and put in blast immediately. Erection was started on "B" in the latter part of 1906 or early part of 1907. It was, however, just the same old story - poor organization, no system. So, along about this time, a "new man came to town - and to the smelter - by name, H. J. Hain, and "you can take it from me," it didn't take him very long to find out the true situation; that is, that Mr. Gordon, among many other things, was apparently incapable of building up an organization that could get the job done.

Consequently, in a short while, Gordon did the "fadeout" and Mr. Hain was the new manager. While Mr. Hain was comparatively a young man, he certainly knew how to "get organized" and, judging from the way he handled the situation here, it was quite evident that he was not lacking in experience along that line - and, be it ever remembered, "Experience can not be purchased" and it has no correspondence course."

Mr. Hain was also a tireless worker, always on the job, early and late, lending his aid and assistance at all times. This fact, together with his apparent ability to pick capable men, soon enabled him to have the factory on a fairly smooth operating basis.

One of the "thorns" in Mr. Hain's side however was the fact that Gordon was still living in Coffeyville, at least temporarily, and causing more or less trouble by telling the workmen, when they were up town, that he would soon have another company organized and would build a new factory and give them all better jobs. And, owing to the fact that he had quite a reputation for doing this - building factories, his talk carried considerable weight which, in turn, caused no small amount of discontent among the workmen.

In fact, there were very few loyal men on the plan for some little time -- caused, no doubt, largely by the aforementioned incidents. Nevertheless, Mr. Hahn soon began to "wood-out" the most disloyal ones and to improve on the others' but it was either "got in the game and be loyal to him and the Company," or "get the hell out." Consequently, after a few of the "ring-leaders" were pitched out on their ears, this trouble was over, which obviously was a great relief to Mr. Hahn.

We were also having, among many other troubles, all kinds of grief with the furnaces -- in this way: they were burning out about every four or five months because Mr. Gordon, in a "year" for running them too hot, which Mr. Hahn insisted, almost from the time he came on the job, was, in his opinion, unnecessary.

As soon as Mr. Hahn got the organization lined up and pulling together, he began lowering the heat on the furnaces and, as he remarked, this did not decrease production or increase the metal content of the slag. In fact, with some mechanical changes, together with some few changes in operation including more intelligent supervision, production was greatly improved, grade and color of oxide improved and, last but not least, slag lowered.

(While on the slag subject, I will mention what every successful manufacturer of zinc oxide knows; that is, rich and low slag spells the difference between success and failure in this business.)

With reduced heat and improved operation, the furnaces were not showing any of their old-time distress; therefore, were lasting much longer than they had in the past. This change was a great saving in money, besides making the furnaces much easier to operate.

After the above had been accomplished, Mr. Hahn conceived the idea of a mechanical mixer to mix the furnace charges. The charges had always been mixed by hand -- a job which, it goes without saying, was "man killing" and very crude. However, Mr. Brown, the Newark chief chemist and supposed to be technical advisor, whom I shall mention again later, did not agree with Mr. Hahn's idea, saying it was not practical. Besides, it was Mr. Brown's opinion that the charges would not be so well mixed as they were by hand, etc., etc.

Nevertheless, and to his credit, Mr. Hahn, apparently, paid very little attention to Brown's opinion or objections, especially in this instance. With the help of the mixer, the mixer was finally installed and, "believe you me", it was a huge success from the beginning.

Notwithstanding Mr. Brown's opinion that a mechanical mixer would not be practical and would, therefore, be a waste of the Company's money, it was, as stated above, a huge success, having the Company's great amount of money besides greatly simplifying the furnace operations.

(These mentioned changes and improvements were only a few of the many inaugurated by Mr. Hain. However, as stated before, in order to keep the story as brief as possible, I will not go into further details at this time.)

But regardless of changes and improved conditions, there was still plenty of grief in and around the factory for sometime. In spite of the fact that Mr. Hain is, in my opinion, one of the best judges of men and affairs that it has ever been my pleasure to be associated with, it takes time to build up a capable operating organization.

Within the year, however, he had worked wonders along this line and, as mentioned, the factory was showing the effects of his guiding hand by its smoother and more business-like operations and, for the first time in its history, it began to show signs of being on a paying basis.

In the meantime, the Company had sent down a Mr. R. V. Brown as chief chemist or sort of technical advisor and incidentally to learn the business under Mr. Hain's guidance with the view in mind, no doubt, of replacing Mr. Hain when Mr. Brown had become thoroughly familiar with the business.

I mean by "replacing" Mr. Hain that the Company obviously was recognizing his capability by promoting him to a bigger and better position. Considering the Ozark's miserably poor showing prior to his management, the fact that he had put the factory on its "feet" and, incidentally, on a paying basis after it had been "flat on its back" for years, certainly justified that confidence.

So, in the latter part of 1909, Mr. Hain was promoted to the General Superintendency of Manufacturing of the entire Sherwin-Williams Company, including Canadian factories, with headquarters in Cleveland - and Mr. Brown was the Ozark's new Superintendent.

"1897 to 1909, inclusive"

E. B. Padgett

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TELEPHONE CONVERSATION RECORD

CONVERSATION WITH.		RECORD OF PHONE CALL ATTEMPTS	
NAME.	Corporation Division	DATE:	1//9/
COMPANY	Ohio Secretary of State	TIME:	0900 hours
ADDRESS	30 East Broad Street State Office Tower Columbus, Ohio 43215	NOTES.	
PHONE.	(614) 466 3910	DATE.	
SUBJECT.	Order of corporation information	TIME:	
		NOTES.	

* NOTES *

Dynamac contacted the Ohio Secretary of State to inquire about the status of Sherwin-Williams Company. The Ohio Secretary of State Personnel confirmed that Sherwin-Williams Company is active and in good standing. Dynamac ordered a Certificate of Good Standing for Sherwin-Williams Company.

ORIGINATOR. Eric Arnold
Dynamac Corporation
5700 Broadmoor, Suite 701
Mission, Kansas 66207

TELEPHONE CONVERSATION RECORD

CONVERSATION WITH.		RECORD OF PHONE CALL ATTEMPTS.	
NAME·	Corporation Division	DATE·	1/7/97
COMPANY	Ohio Secretary of State	TIME.	0930 hours
ADDRESS.	30 East Broad Street State Office Tower Columbus, Ohio 43215	NOTES·	
PHONE	(614) 466 3910	DATE·	
SUBJECT·	Inquiry of corporation information	TIME.	
		NOTES·	

*** NOTES ***

Dynamac contacted the Ohio Secretary of State to inquire about the Registered Agent of Sherwin Williams Company. The Ohio Secretary of State Personnel confirmed the Registered Agent as Louis E Stellato, 101 Prospect Avenue NW, Cleveland, Ohio, 44115

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